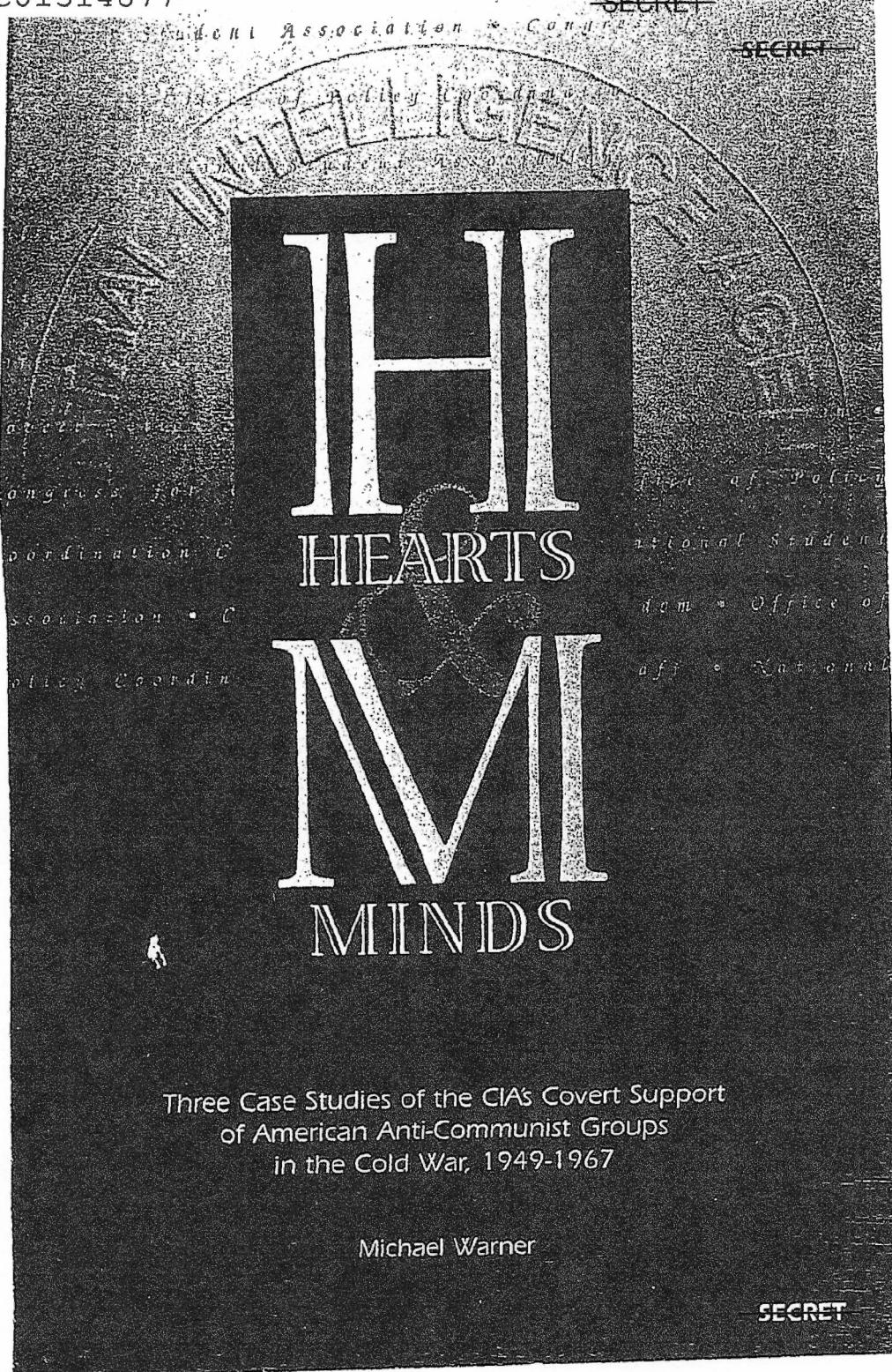


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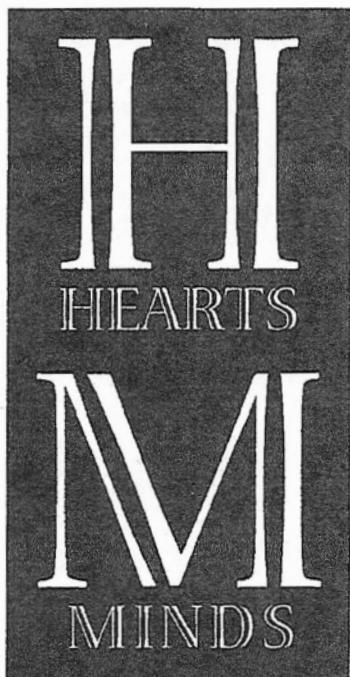
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Security Classification Appeals Panel,
E.O. 13526, sec. 5.3(b)(3)
ISCAP Appeal No. 2014-090, document 1
Declassification Date: June 27, 2023

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Three Case Studies of the CIA's Covert Support
of American Anti-Communist Groups
in the Cold War, 1949-1967

Michael Warner



History Staff
Center for the Study of Intelligence
Central Intelligence Agency
1999

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To the Memory of Michael Josselson

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Acknowledgments (U)

This book took a little longer than I had anticipated when I proposed it in 1992. I hope that readers will find the time well spent, for the story of the Agency's involvement with American voluntary groups is a fascinating one. That which is interesting in the narrative to follow owes little to my own efforts and much to the dedicated and often brilliant men and women who ran the operations and the associations that cooperated with the CIA. This is their story, not mine, and I was indeed lucky to have some of them go out of their way to assist my project. I would like to thank all those who consented to be interviewed. I must also express particular gratitude to others who generously shared memories, insights, and sometimes even documents, especially Arnold Beichman, Tom Braden, Leonard Bushkoff, Philip Cherry, Cleveland Cram, Lorraine Norton Eliot, Burton Gerber, Sam Halpern, Richard Helms, Paul Henze, CIA CIA Irving Kristol, Walter Laqueur, Melvin Lasky, Sue McCleod, CIA CIA David Murphy, Edward Overton, Walter Pforzheimer, Walter Raymond, John Richardson, Evan Thomas, and one more individual who wished to remain anonymous. Several present and former colleagues and Agency officers likewise merit thanks for their production assistance or their comments on drafts, particularly Hank Appelbaum, Paul Arnold, CIA Statute Nicholas Cullather, Ben Fischer, Gerald K. Haines, Fred Hitz, CIA Statute Scott Koch, Brian Latell, Diane Marvin, Mary McAuliffe, J. Kenneth McDonald, William McNair, James E. Miller, Kay Oliver, Floyd Paseman, Neal Petersen, David Rohrige, Kevin Ruffner, CIA Statute Kathy Stricker, CIA Statute CIA Statute Many can share in what credit attaches to this book; the blame for any errors and omissions is mine alone. (S)

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Foreword (U)

For most Americans, including journalists and scholars, mention of the Central Intelligence Agency (CIA) conjures up visions of spies, coup plots, or paramilitary operations. Even intelligence professionals are often only dimly aware of many of the more subtle, and sometimes more influential, CIA operations put in place to affect the world situation and to aid US strategic interests. This insightful volume by Dr. Michael Warner, Deputy Chief of the CIA History Staff, examines three CIA covert action programs in the 1950s and 1960s. These programs were designed to aid anti-Communist private, voluntary organizations during the early Cold War. The projects involved support for and cooperation with the National Student Association, the Congress for Cultural Freedom, and the American Friends of the Middle East. CIA support for such groups and organizations ended with the infamous "*Ramparts* flap" of 1967, which revealed the Agency's involvement with the National Student Association. (S)

Fearing that the Soviet Union was winning the ideological and propaganda war for the hearts and minds of scholars, intellectuals, students, and groups of influence in the Third World, American Presidents from Harry Truman to Lyndon Johnson approved CIA programs to shore up and strengthen private anti-Communist US organizations. Dr. Warner carefully charts the evolution of this CIA cooperation with the three groups and attentively lays out CIA efforts to subsidize these organizations and to promote their non-Communist agendas abroad. Dr. Warner concludes that the CIA often found it difficult to reconcile the controversial domestic political stands of these client organizations on such issues as Vietnam, civil rights, and the Arab-Israeli dispute, with its overall goal of bolstering legitimate opposition to international Communism. (U)

Hearts and Minds manages to avoid both condemnation and nostalgia in depicting these long-term relationships. Dr. Warner's analysis of CIA's dealings with these organizations should be read by all intelligence officers and specialists interested in how the CIA, a secret intelligence organization, operates in a democratic society. Finally, it should be noted that the views expressed herein are the author's and do not necessarily represent those of the Central Intelligence Agency. (U)

Gerald K. Haines
Chief Historian
October 1998

Introduction (U)

We are now conducting a cold war. . . . That cold war must have some objective, otherwise it would be senseless. It is conducted in the belief that if there is no war, if the two systems of government are allowed to live side by side, that ours because of its greater appeal to men everywhere—to mankind—in the long run will win out. That it will defeat all forms of dictatorial government because of its greater appeal to the human soul, the human heart, the human mind.

Dwight D. Eisenhower¹

The Central Intelligence Agency spent almost two decades managing one of the most audacious enterprises ever launched by the United States Government. In fighting the Cold War, CIA officers funded and guided ostensibly private American voluntary organizations that sought to stem Communist expansion and influence among foreign peoples and governments. Many of these American associations were by no means small or obscure. In fact, their very success abroad depended in part on their authenticity at home, and that in turn flowed partly from their lucid opinions on controversial domestic issues. The CIA's covert subsidy programs represented something unique in American history. Never before had the US Government secretly created or penetrated private organizations on anything resembling such a scale, and, with the Cold War over, it is unlikely that the Agency will soon have the authority and the means to do anything like this again. (U)

This story has a clear beginning and a dramatic end. The CIA's use of domestic voluntary groups arose from the Truman administration's efforts to stanch the spread of Communism and give the Marshall Plan a chance to rebuild the economies and societies of Western Europe. The programs (which had no collective operational direction or codename) gained impetus from the Korean war, but by the mid-1960s CIA and the Johnson administration were seeking ways to extricate themselves from the dozens of individual covert projects that had been

¹ Eisenhower made this comment to personnel of the United States Information Agency; it is quoted in Walter L. Hixson, *Parting the Curtain: Propaganda, Culture, and the Cold War: 1945-1961* (New York: St. Martins, 1997), p. 24. (U)

initiated. This disengagement failed spectacularly in 1967 because of massive publicity surrounding well-documented allegations made by a hitherto obscure political magazine, *Ramparts*. (U)

This study examines three of the covert action projects in detail. The CIA provided the bulk of the operating budgets for the National Student Association (NSA), the American Friends of the Middle East (AFME), and the Congress for Cultural Freedom (CCF). Each emerged from the efforts of the CIA's Office of Policy Coordination's (OPC) efforts to halt the spread of Communism in Europe and the Third World during the early Cold War. OPC designed these programs around the assumption that Communist agents and ideology might soon win new adherents among important segments of foreign societies, ranging from European intellectuals, to Brazilian students, to educated Arab Muslims. This aspect of OPC's attack on Communism would be indirect; it would proceed by drying the pools of potential Communist support. But OPC as yet had few overseas assets, and it felt compelled to rely on the connections and expertise of concerned American citizens to extend its influence abroad. The American citizens whom the Agency tapped were (or soon became) witting leadership cadres who were dealing, on the Agency's behalf, with unwitting memberships and colleagues. (U)

OPC could not consult the telephone directory for well-connected American voluntary groups just waiting for secret subsidies to fight Communism abroad. Such organizations either had to be created *ex nihilo*, or their existing arrangements and policies had to change. A broad commonality of interests between CIA and its covert client organizations might well have developed spontaneously in response to Stalinism and the Korean war, but what actually occurred was that OPC secretly encouraged the movement toward parallel interests in the National Student Association and other organizations. CCF and AFME were created by OPC, and the National Student Association was actively steered by OPC agents and money toward activist anti-Communism abroad. The NSA case in particular illustrates a kind of Heisenberg Uncertainty Principle of covert action; the act of covertly subsidizing even an existing organization changes that organization, bringing its interests more into congruence with the clandestine service that sponsors it. (U)

In each of the three cases examined here, CIA case officers and assets jointly wielded substantial but clandestine influence over the organization's activities. In each case, moreover, CIA supervisors realized that the Agency had taken a dangerous gamble—and that the potential for public exposure and embarrassment was large. CIA officers and assets worked to manage and control this risk, but ultimately they also accepted it as a routine cost of business. Acceptance eventually bred complacency,

but that complacency could not last in the mid-1960s as spreading debates over the Vietnam war and US foreign policy in general seemed to heighten the risks of exposure out of proportion to the benefits produced by the respective operations. By then, however, it was too late, even though the Agency was extricating itself from all three operations in the months before the *Ramparts* flap. (S)

Each project evolved differently. The Congress for Cultural Freedom was really the creature of one remarkable American citizen 25X1
25X1 —Michael Josselson—who kept his organization focused on its original goals and minimized its need for cover and administrative support from American intellectuals. CIA created the American Friends of the Middle East to turn Muslims away from Communism. When its first director proved unmanageable, a strong (but generally compliant) board of directors took control of the organization, which then served as a rather elaborate covert support mechanism for other CIA projects. The National Student Association was unique among these three organizations in not owing its founding to CIA, although infusions of Agency money reoriented NSA early in its existence, giving it an international focus and influence that it might not have acquired on its own. The young men and women who ran the National Student Association were determined not to cede international student fellowship to the Communists, 25X1

where they persuaded the Agency's leaders to join the long struggle against Communist youth and student fronts. (S)

OPC's haste to meet the Soviet challenge caused operational flaws to be built into all three of these undertakings. The three operations were chosen for this study because collectively they represented the *modus* of CIA covert political action practices before the *Ramparts* revelations. They reflected the Agency's emphasis on covert subsidy projects and American voluntary organizations during the early Cold War. All were linked by a common funding network that led back to the CIA Directorate of Plans. All fell with the public collapse of that network, for reasons that invite scrutiny and comparison. Failure stemmed partly from poor CIA security practices that were only too evident even before the *Ramparts* flap, but also—and perhaps even more significantly—from a flaw in the design of the Agency's specific type of political action. (U)

The CIA's strategy of aiding the "non-Communist Left" in Europe and Asia guided the operations involving the National Student Association and the Congress for Cultural Freedom. In addition, this strategy indirectly justified the subsidy for the American Friends of the Middle East, which was not part of the non-Communist Left but which sought to

accomplish a similar goal—that of strengthening non-Western, even non-democratic, resistance to Communism. In all three operations the CIA proposed and took on the covert mission of promoting what US policy-makers regarded as America's true interests in an age when political exigencies supposedly imparted a harmful rigidity to declared US foreign policy. Various officials (inside and outside the Agency) occasionally complained that CIA support for such partisan organizations entangled the Agency in activities beyond its charter, but these complaints by *themselves* did not compel the Directorate of Plans to drop or reorient the projects in question. (S)

The three covert subsidy projects under study here took place with the knowledge and approval of higher authority. They began as pieces of the "psychological warfare" offensive mounted by the Democratic administration of Harry S. Truman. They continued and gained momentum under his Republican successor, Dwight D. Eisenhower. The CIA career of Allen Dulles began in the Truman administration, but he easily convinced his brother, Secretary of State John Foster Dulles, and President Eisenhower that the covert subsidy operations got results as American propaganda efforts shifted from psychological warfare toward encouraging a gradual "evolution" of Soviet and satellite attitudes toward the West.² Allen Dulles and his lieutenants later had no difficulty proving the worth of the operations to the Kennedy brothers, who were already enthusiastic about aiding the non-Communist Left and appreciated the subtle pragmatism of covert action. (U)

These operations thus were US Government policy initiatives as well as CIA projects. The internal CIA history of Allen Dulles's tenure as Director of Central Intelligence reflects the government-wide consensus:

The main objective of these activities was to oppose those Communist-dominated organizations which were closely controlled, ideologically as well as operationally, and which followed the current Soviet party line. Opposition by its very nature would have to manifest diversity and differences of view and be infused by the concept of free inquiry. Thus views expressed by representatives and members of the US-supported organizations in many cases were not necessarily shared by their sponsors . . . It took a fairly sophisticated point of view to understand that the public exhibition of unorthodox views was a potent weapon against monolithic Communist uniformity of action. There were plenty of people in the

² Walter Hixson contrasts "psychological warfare" with "cultural infiltration" in *Parting the Curtain*, pp. xii, 16, 101. (U)

US Government, including the Congress, who understood this, and if it had not been for them, CIA could not have funded these operations.³ (U)

CIA acted from the beginning as an executive agent—not as a mere instrument—of the President and the NSC subsidizing American anti-Communist groups that constructively questioned US foreign policy. The Agency enjoyed wide latitude in deciding how and where to fund such groups. Client organizations, in addition, had wills of their own. CIA officers sponsored such groups as NSA, CCF, and AFME for their own reasons as well as those of the White House, and the details of those arrangements rarely if ever reached Presidents or national security advisers. Buried within the latter point is the core of an explanation of what happened before the *Ramparts* flap. (S)

By the time of President Kennedy's assassination, articulate critics on both the left and the right were assaulting the political assumptions under which OPC had originally undertaken its subsidy projects. The rising conservative movement (learning from Congress for Cultural Freedom veterans such as James Burnham and Sidney Hook) criticized US assistance to groups that wavered in their lukewarm support of American policies and even flirted with Marxism. The New Left, led briefly by university students disaffected with the National Student Association, blasted "the establishment" and its ways of co-opting Americans into the military-industrial complex. (U)

These 1960s shifts in the domestic political climate exposed the CIA's strategy of supporting the non-Communist Left to attacks from political thinkers who rejected the social democratic ideas tacitly endorsed by Agency subsidies. "Right-wing" anti-Communism distrusted all of the Left as too wedded to egalitarianism and social planning, while new thought on the left indicted both Communism and capitalism for complicity in building a dehumanizing, industrialized mass society. Here lay the irony of the Agency's strategy: it simply was not possible to subsidize some nonexistent generic form of anti-Communism, only different and mutually competing anti-Communist individuals and groups. (U)

Support for American voluntary groups working with the non-Communist Left—or Islamic anti-Communism, such as it was—by definition meant working with specific Americans within those client groups. Each of the three operations studied here endured because a core group

³Wayne G. Jackson, "Allen Dulles as DCI," Volume III, "Covert Activities," July 1973, National Archives and Records Administration, Record Group 263 (CIA), NN3-263-94-011, pp. 102-104. (U)

of dedicated, witting individuals acted as "brokers" between the Agency and the overt organization, keeping both client and sponsor committed to certain covert goals. CCF had Michael Josselson; NSA had its secret fraternity of witting officers and alumni; and AFME had the mercurial Garland Hopkins in the beginning, and later an activist board of directors. Without agents and officers of such high ability and commitment, the operations surveyed in this study would not have been possible. (g)

These "brokers" shared several qualities. They all were committed to the overlapping covert and overt goals shared by the CIA and its respective client organizations. They had remarkable abilities to accomplish tasks on both the "inside" and the "outside" of the operation—within the corridors of CIA and in the public eye. Finally, all of these brokers resigned themselves to the heavy security demands and the tactical compromises the Agency imposed on their operations. The inefficiencies created by CIA procedures weighed less, in the minds of these agents, than the good that CIA money did for their respective organizations. (e)

But these brokers inevitably had rivals and opponents as well. There were internal rivals in the case of NSA, and outside opponents in the cases of CCF and AFME. Their competitors could hardly have been expected to resist the temptation to exploit leaks about CIA support in order to influence or even harm the Agency's client organizations. (s)

Any investigation of the developing CIA operations and their eventual downfall needs strict methodological guidelines. This study could have been one of several things: a comparative history of CIA-affiliated, American-based, anti-Communist voluntary groups; an autopsy of the *Ramparts* flap; or an examination of CIA's largely indirect involvement in American domestic political debates. The study as written is none of these things *per se*.⁴ Instead it is a little of all three—and indeed sheds light in all three areas. This is essentially a narrative of how CIA's leaders knowingly took a gamble at the outset of the Cold War, and then finally lost their wager in a spectacular and catastrophic fashion. It is a story worth telling in detail because of its intrinsic human and policy interest, because of the damage done to the CIA by the *Ramparts* revelations, and

⁴Indeed, the story of the *Ramparts* flap has already been told from CIA's perspective in two classified monographs. For the origins and development of the flap, see Anthony Marc Lewis, "The 1967 Crisis in Covert Action Operations: The *Ramparts* Exposures," December 1970, Clandestine Services Historical Series 196, CIA History Staff, (S). Philip W. Kaufman provides a comprehensive overview of CIA and US Government damage control efforts in "The 1967 Reappraisal and Readjustment in Covert Action Operations: The Katzenbach Committee Report," January 1971, Clandestine Services History Program 384, CIA History Staff, (S).

because an understanding of the rise and fall of covert action with American voluntary groups is itself crucial to further historical research in all three of the topics listed above. (U)

All three operations (along with many others of this type) survived so long because successive Directors of Central Intelligence and Deputy Directors for Plans perceived them as successful—that is, at providing operational and strategic benefits greater than their costs. Were these perceptions accurate? Comparing the accomplishments of the three projects is mixing apples and oranges, but some tentative judgments can nonetheless be made. The Congress for Cultural Freedom undoubtedly was a success, despite its being the most expensive of the three projects. CCF helped in the 1950s to refute the canard that art flourishes only under socialism, and in the 1960s it publicized the ways in which tyranny inevitably suppresses creative thought as well as personal freedom. On the other hand, the accomplishments of [the American Friends of the Middle East] operation, and especially those of the National Student Association operation, seem almost ephemeral today. [AFME doubtless bought America some good will among Arab elites] 25X1

25X1 Perhaps the benefits outweighed the costs; perhaps only the CIA could have created and preserved [an AFME] long enough to allow the organization to live on without covert funds. NSA's accomplishments seem to diminish in hindsight. 25X1
25X1

25X1 (S)

This study tries to help contemporary readers to understand an era in the Agency's past and some of the reasons why that era ended in 1967. The story has continuing relevance to the ways of assessing the potential costs and benefits of covert political action. (U)

The Sources (U)

The bulk of the documents in this study reside in retired files of the Directorate of Operations. The DO preserved many of the relevant administrative, policy, and support files in good order, although a few minor gaps have opened during the intervening decades. Interviews with some three dozen retired managers, case officers, and agents fill in some of those gaps. The historical case studies produced by the History Staff's old

Clandestine Services History Program helped considerably in sketching out the basic plan for this study. Robert Knapp's classified history of the Agency, *The First Thirty Years*, proved to be an indispensable reference tool. Retired files held outside the Directorate of Operations—particularly by the Executive Registry, Office of Human Resource Management, and the Inspector General—also proved valuable. (U)

Reliable open sources on CIA covert activities with American voluntary organizations are rare. A few books on the CIA mention some of the operations and personalities, particularly John Ranelagh's *The Agency*; Burton Hersh's *The Old Boys*; Evan Thomas's *The Very Best Men*, and Peter Grose's *Gentleman Spy: The Life of Allen Dulles*. Peter Coleman's history of the Congress for Cultural Freedom, *The Liberal Conspiracy*, was essential. Walter L. Hixson's *Parting the Curtain* provided valuable policy context. Contemporary newspapers and periodicals often illuminated the circumstances of particular decisions and incidents. In some cases, the records of Congressional hearings and the Department of State's *Foreign Relations of the United States* series provided the specific policy contexts. (U)

Chapter One

The Twilight Struggle

Origins of Cold War Political Action, 1945–1950 (U)

With the breakdown of the wartime Grand Alliance and the resumption of overt ideological hostility between East and West, Moscow in the late 1940s accelerated Communist Party efforts to make Western public opinion take a more favorable view of Soviet foreign policy objectives. A favored approach was for Party members in the West to join or create organizations that were ostensibly non-Communist—and thus attractive to liberals and socialists—but still responsive to direction from Moscow. In the 1920s, a German Communist leader named Willi Münzenberg, building on Leninist techniques of political struggle, had pioneered techniques for directing and exploiting progressive Western sympathy for the cause of revolutionary socialism in the Soviet Union.¹ In the 1930s the Communist International (better known as the Comintern) adopted the methods developed by Münzenberg in directing the actions of Communists who had newly joined an array of anti-Fascist organizations. Several front groups (including the League of American Writers, the American Artists Congress, and the American Committee for Democracy and Intellectual Freedom), even operated in the United States. Stalin had disbanded the Comintern in 1943, as a gesture of wartime solidarity with its Western allies. Soon after V-E Day, however, the Soviets began rebuilding their old front groups and founding new ones (such as the World Federation of Trade Unions and the World Peace Council). Communists and

¹Münzenberg, a co-founder of the German Communist Party and member of the Weimar Reichstag, created his Comintern-staffed "Trust" to garner famine relief for the Soviet Union. He later oversaw its expansion in filmmaking and publishing, and in its cooperation with Soviet foreign intelligence organizations. Münzenberg called his front groups "innocents' clubs"; Stephen Koch, *Double Lives: Spies and Writers in the Secret Soviet War of Ideas Against the West* (New York: Free Press, 1994), pp. 12–28. (U)

their sympathizers also penetrated existing nonpartisan organizations, soon co-opting or at least disrupting several American labor unions and voluntary groups.² (U)

The United States at this point had little capability or inclination to respond in kind. During the war Washington had accumulated an energetic if uncoordinated congeries of "psychological warfare" activities, based mainly in the Office of War Information (OWI) and the Office of Strategic Services (OSS). Demobilization soon claimed both agencies; their employees were released and their files dispersed around Washington. By early 1946, only the Department of State's tame Voice of America and an interagency discussion group—the State-War-Navy Coordinating Committee—remained of the US Government's briefly far-ranging foreign and domestic propaganda, "informational," and covert action capabilities.³ (U)

The Truman administration's announcement in 1947 of the Marshall Plan to rebuild Europe spurred Moscow to redouble its efforts to influence public opinion in Western Europe. In September 1947, Stalin's lieutenants founded the Communist Information Bureau (Cominform), which in turn ordered the French and Italian Communist Parties to mobilize the masses against the Marshall Plan.⁴ French and Italian Communists responded with tumultuous (but ultimately futile) campaigns of strikes and propaganda. Communists in other parts of Europe caused trouble as well.⁵ (U)

Washington's concern over Soviet behavior in Eastern Europe had been one of several factors leading to the creation of the Central Intelligence Agency in 1947. The Communist-run strikes in France and Italy, followed by the Communist *coup d'état* in Czechoslovakia in February 1948, suggested to Agency officials and the American foreign policy establishment that Stalin might not give the Marshall Plan (which Congress was still debating) time to rebuild the economies of Western Europe. The Soviet Union, while technically not at war with anyone, had launched a campaign of political subversion that truly was a "cold war"—one that confused the already murky issue of "peacetime" versus "wartime" intelligence operations. (U)

²For instance, see Michael Straight's description of the Communist attempt to gain control of the American Veterans Committee, *After Long Silence* (New York: W.W. Norton, 1983), pp. 233-240. (U)

³Edward P. Lilly, "The Psychological Strategy Board and its Predecessors: Foreign Policy Coordination, 1938-1953," in Gaetano L. Vincitorio, editor, *Studies in Modern History* (New York: St. John's University Press, 1968), pp. 354-355. See also Edward P. Barrett, *Truth is Our Weapon* (New York: Funk & Wagnalls, 1953), pp. 52-53. (U)

⁴Adam Ulam, *Expansion and Coexistence: Soviet Foreign Policy, 1917-73* (New York: Holt, Rinehart & Winston, 1974), pp. 448-449, 460-461. (U)

⁵Franz Borkenau, *European Communism* (New York: Harper & Brothers, 1953), pp. 519-531. (U)

*Josef Stalin. (u)*

Truman administration officials had to respond to the ambiguous situation with a creative ambiguity of their own. In November 1947, the new National Security Council (NSC) briefly considered assigning peacetime psychological warfare to the Department of State. Secretary of State George Marshall soon dissuaded the NSC from this step, complaining

that covert missions might embarrass his Department and harm American diplomacy. State and the military, however, still wanted a degree of control over psychological operations and decided that the fledgling CIA ought to get this capability: the Agency not only had a worldwide net of operatives, but it also controlled unvouchered funds, which could obviate the need to approach Congress for new appropriations.⁶ In December 1947, the National Security Council—despite the misgivings of Director of Central Intelligence (DCI) Roscoe Hillenkoetter—issued NSC 4-A. Pointing to the “vicious psychological efforts of the USSR, its satellite countries and Communist groups,” this directive determined that CIA was the logical agency to conduct

covert psychological operations designed to counteract Soviet and Soviet-inspired activities which constitute a threat to world peace and security or are designed to discredit and defeat the aims and activities of the United States in its endeavors to promote world peace and security.⁷ (U)

NSC 4-A made the DCI responsible for psychological operations, but left him little guidance or means to do so. The Morale Operations Branch of OSS had died with that Office’s dissolution in 1945. OWI had perished around the same time, and its overseas informational arm (including the Voice of America) languished in the Department of State’s new International Information and Education Division. Congress complicated the situation still further in early 1948, directing the new Economic Cooperation Administration (ECA; which would manage the Marshall Plan) to ensure that America got a proper share of the credit for rebuilding Europe. The Congressmen also passed the Smith-Mundt Act, thereby giving a statutory basis to State’s foreign information activities and making the Secretary of State the chief architect of national information policy. Nevertheless, a NSC study complained a few years later that:

We had the tools and blueprint but there was no foreman to tell the agency mechanics what their share was and how it fitted into and contributed to the national plan . . . Neither State

⁶Arthur B. Darling, *The Central Intelligence Agency: An Instrument of Government, to 1950* (University Park: Pennsylvania State University Press, 1990), pp. 253-262. Anne Karalekas, “History of the Central Intelligence Agency,” in William M. Leary, ed., *The Central Intelligence Agency: History and Documents* (University, AL: University of Alabama Press, 1984), pp. 40-41. (U)

⁷National Security Council, NSC 4-A, 17 December 1947, reprinted in Department of State, *Foreign Relations of the United States, 1945-1950, Emergence of the Intelligence Establishment* (Washington: Government Printing Office, 1996), pp. 643-644. (U)

nor Defense liked the other to dictate its area of psychological operations. Other than NSC, which had its own problems, there was no body of sufficient stature to direct the existing machinery into an effective coordinated operation.⁸ (U)

The DCI in turn assigned the covert action mission to the CIA's Office of Special Operations (OSO). At roughly the same time, the Agency's Office of Reports and Estimates organized its own "International Organizations Group" to analyze Soviet psychological warfare efforts. Other Western governments and intelligence services were taking similar steps at roughly the same time. Britain's Labour government, for instance, in early 1948 created the Foreign Office's Information Research Department (IRD), which was paid out of Secret Intelligence Service funds to spread anti-Soviet ideas and publications. IRD would soon assist "subversive operations" as well.⁹ (U)

The NSC responded to the Czech and Berlin crises of early 1948 by expanding the covert action mandate. DCI Hillenkoetter's cautious (though not unsuccessful) use of covert action had satisfied neither State nor Defense officials. Policy Planning Staff chief George Kennan argued that the US Government needed a capability to conduct "political warfare" (Kennan may well have been the anonymous author of a memo calling for covert operations amounting to the "logical application of Clausewitz's doctrine [that war is simply politics by other means] in time of peace"). Believing this role was too important to be left to the CIA, Kennan led the Department of State's bid to win substantial control over covert psychological operations, which would be run by a small staff nominally subordinate to the NSC. The military backed State's efforts, advocating an independent—or at least more powerful—office for psychological warfare.¹⁰ (U)

⁸ Edward P. Lilly, National Security Council, "Psychological Operations, 1945-1951," 4 February 1952, Harry S. Truman Library, Psychological Strategy Board files, box 15. Sarah-Jane Corke, "Bridging the Gap: Containment, Covert Action and the Search for the Missing Link in American Cold War Policy, 1948-1953," *Journal of Strategic Studies* 20 (December 1997). (U)
⁹ Foreign and Commonwealth Office, "IRD: Origins and Establishment of the Foreign Office Information Research Department, 1946-48," *History Notes*, August 1995, pp. 5-7. W. Scott Lucas and C. J. Morris, "A very British Crusade: the Information Research Department and the Beginning of the Cold War," in Richard J. Aldrich, editor, *British Intelligence, Strategy and the Cold War, 1945-51* (London: Routledge, 1992), pp. 95-105. (U)
¹⁰ Darling, *The Central Intelligence Agency*, pp. 263-268. (U)

DCI Hillenkoetter saw what was coming and tried to resist it, complaining that CIA would lose control over psychological warfare.¹¹ His complaints tempered but did not stave off the NSC's decision to intervene in a new directive, NSC 10/2, issued in June 1948 as the Soviets tightened their blockade on West Berlin. NSC 10/2 ostensibly expanded CIA's writ while actually infringing upon the Agency's freedom of action. It directed CIA to conduct "covert" rather than merely "psychological" operations, including

propaganda; economic warfare; preventive direct action, including sabotage, anti-sabotage, demolition and evacuation measures; subversion against hostile states, including assistance to underground resistance movements, guerrillas and refugee liberation groups, and support of indigenous anti-Communist elements in threatened countries of the free world.

NSC 10/2 also shifted covert action to a new CIA office—soon styled the Office of Policy Coordination (OPC)—that would be administratively quartered in CIA but supervised by the Department of State and the military. In wartime, the entire apparatus was supposed to shift to the Joint Chiefs' control and conduct unconventional operations against the enemy.¹² OPC officially came into being in September 1948 under the directorship of Frank G. Wisner, an OSS veteran who had been serving as deputy to the Assistant Secretary of State for the Occupied Areas.¹³ (U)

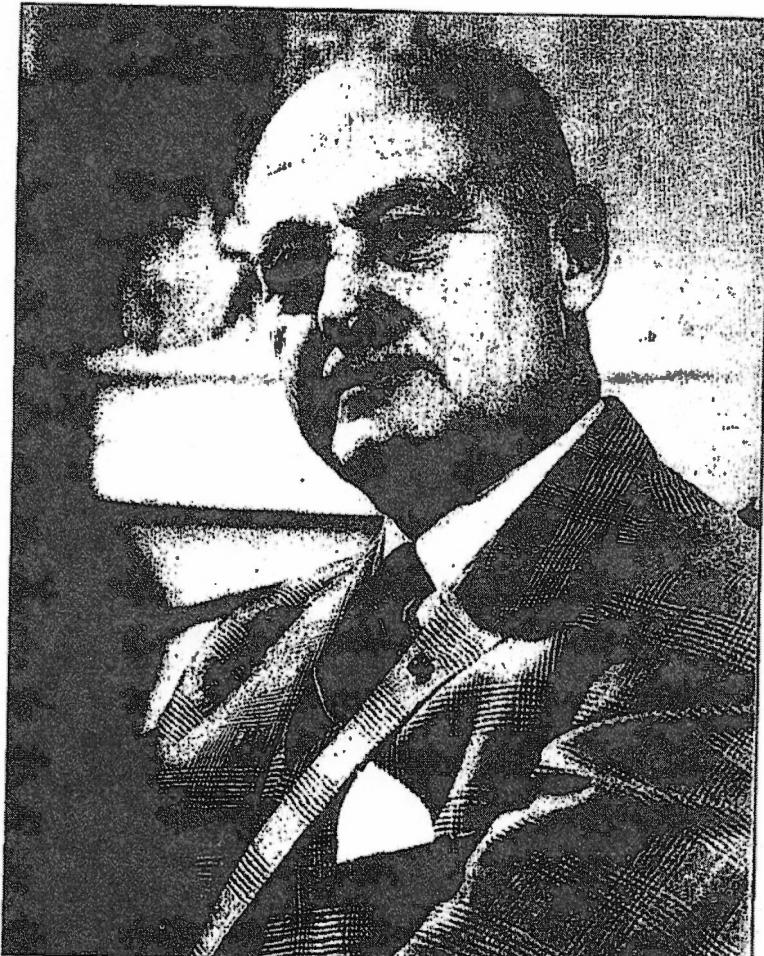
As CIA's Assistant Director for Policy Coordination, Wisner's mission was broad but vague.¹⁴ NSC 10/2's phrase "covert operations" covered a wide range of activities. The mandate's ambiguity reflected its novelty; few American officials had experience with such methods and had no body of doctrine governing their use in peacetime. Even so, OPC threw itself into a wide variety of operations, including specific responses to NSC 10/2's call to support "indigenous anti-Communist elements in threatened countries of the free world." (U)

¹¹Hillenkoetter to Sidney Souers, National Security Council, "Psychological Operations," 11 May 1948, reprinted in Department of State, *Emergence of the Intelligence Establishment*, pp. 676-677. Hillenkoetter to James S. Lay, National Security Council, 9 June 1948, reprinted in *Ibid.*, pp. 703-704. (U)

¹²National Security Council, NSC 10/2, 18 June 1948, reprinted in *Ibid.*, pp. 713-714. (U)

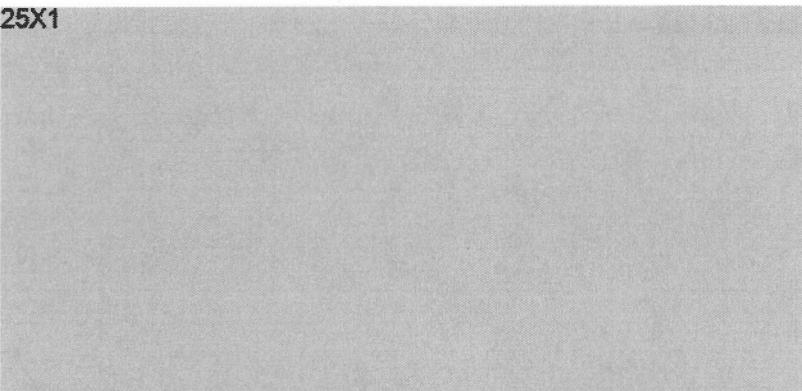
¹³Darling, *The Central Intelligence Agency*, pp. 262-273. Karalekas, "History of the Central Intelligence Agency," pp. 41-42. (U)

¹⁴The title "Assistant Director" is equivalent to the modern CIA position of "Deputy Director," denoting a rank inferior only to the Director of Central Intelligence and the Deputy Director of Central Intelligence. The second-in-command at OPC held the title "Deputy Assistant Director of Policy Coordination." (U)



George Kennan urged OPC to undertake several projects with American organizations. (f) Wide World ©

OPC took formal policy guidance from the NSC but received many of its early instructions in personal contacts with George Kennan. Wisner had been at his desk only days when Kennan steered him toward an operation that would serve as a prototype for later political action projects. Kennan urged Wisner to find ways to help non-Communist labor unions in Western Europe. Fearing that the Marshall Plan would not succeed if Communist-dominated unions were able to block supplies and services crucial to the rebuilding of the Continent, [redacted]

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These early contacts also helped set the precedent for OPC taking its policy guidance more-or-less informally and personally, instead of through the interagency channels that the State-Army-Navy Coordinating Committee (SANACC) and the NSC staff were then laboring to create.¹⁸ (S)

At the same time, the Office undertook a massive "gray" propaganda effort using refugees and émigrés from Eastern Europe.¹⁹ As streams of refugees fled westward from Stalin's reach, George Kennan had seen an opportunity. State's Voice of America had begun broadcasting to Russia in February 1947, and that same year Assistant Secretary of State for Public Affairs William Benton had proposed the creation of a quasi-public foundation to run America's international broadcasting.²⁰ Kennan added his own twist to these ideas. He believed the US Government needed an instrument with which to deal with the émigrés and coordinate their activities against the Soviet Union, and he passed this task to OPC. The Office brought Kennan's idea to life in 1949 by creating the

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¹⁸ Lilly, "The Psychological Strategy Board," pp. 358-359. (U)

¹⁹In the evolving parlance of psychological warfare, gray propaganda (as opposed to black and white propaganda) connoted statements or material by ostensibly independent third parties that generally supported US policies. "White" propaganda was officially and obviously produced by the US Government. "Black" propaganda was designed to look as though it emanated from an enemy source. An example of black propaganda, in an early 1950's context, would be a fake Communist Chinese editorial denouncing Stalin. (U)

²⁰Barrett, *Truth is Our Weapon*, p. 67. (U)



Frank G. Wisner, the activist first Assistant Director for Policy Coordination. (U)

National Committee for Free Europe (NCFE), which the following year gave birth to Radio Free Europe. Based in New York City, NCFE was a private organization ostensibly run by concerned American and émigré figures but actually controlled by OPC.²¹ (U)

²¹ NCFE's founding is chronicled in some detail by Sig Mickelson, *America's Other Voice: the Story of Radio Free Europe and Radio Liberty* (Westport, CT: Praeger, 1983), pp 14-22. (U)

OPC's experience with NCFE taught OPC how to manage certain problems inherent in such operations. "The front organization concept is an old one," Wisner's deputy Merritt Ruddock reported in early 1949:

The [US] Government has shied away from it in the past because of (a) fears that Government support and participation could not long be concealed; (b) the reluctance of prominent individuals to associate themselves with a facade or pure front; and (c) fears that the people who would consent to joining a front might be hard to handle and/or try to run with the ball.

Ruddock believed that, in creating NCFE, OPC had devised a new technique intended to minimize these problems. US Government support for the National Committee hid behind a series of organizational and financial structures that impeded outside scrutiny, and helped both NCFE and the government to deny rumors of clandestine dealings. In addition, those who publicly ran NCFE were carefully chosen private figures (such as New York attorney Allen Dulles and Ambassador Joseph C. Grew) who sympathized with American foreign policy objectives. The broad convergence of interests between Washington and NCFE obviated any need for the CIA to exercise direct control over NCFE's operations.²²

(S)

Theory soon emulated the change in practice. James Burnham, a New York University professor of philosophy, author of a provocative 1940 study *The Managerial Revolution*, and a consultant for OPC, provided a philosophical underpinning for the methods and motives of these and similar operations in his new book, *The Coming Defeat of Communism*. Applauding America's revived will to resist the Communist advance, Burnham offered proposals for combating Communism abroad. He had already detected signs of restiveness and "vulnerability" in the new Soviet empire; the West, he hoped, might be able to win its grim struggle without total war. (S)

Burnham's *The Coming Defeat of Communism* proposed that the United States Government maintain an "unorthodox branch" (looking much like OPC), and dropped enthusiastic hints about the potency of "untraditional methods" of "political-subversive warfare." In particular, this new organization could advise and fund the efforts of private American groups willing to help in the struggle against Communism. American students, businessmen, or trade union officials, for example, might do

²²Merritt K. Ruddock, Deputy Assistant Director for Policy Coordination, to Frank G. Wisner, Assistant Director for Policy Coordination, 8 March 1949, Information Management Staff Job 78-04938R, box 1, folder 1. (S)

better than US Government officials at handling their foreign counterparts, if helped by the proper "guiding and co-ordinating agency."²² Burnham's relationship with OPC makes it difficult to know how much of *The Coming Defeat of Communism* echoed (or influenced) ideas already circulating in the Office.²³ Nevertheless, Frank Wisner liked the book well enough to give copies to DCI Hillenkoetter to pass it out to Congressmen interested in OPC.²⁴ (c)

The Peace Offensive (U)

Officials in OPC and the Department of State soon concluded that other sectors of Western society—youth, students, intellectuals, veterans, and others—were also at risk of Communist subversion. Lacking positive guidance from the NSC and its welter of interagency staff committees charged with coordinating national psychological warfare strategy, OPC apparently on its own initiative applied to this problem some of the same techniques and agents it was learning to use with foreign labor unions and European émigrés. (U)

Stalin's recourse to political subversion as his primary weapon against the Marshall Plan in Western Europe placed new emphasis on the international front groups the Soviets had been building since 1945. In late 1948, Moscow began stepping up its efforts to capitalize on the popular dread of another terrible war. German diplomat Gustav Hilger, who had been one of Hitler's foremost Soviet experts, explained to an internal CIA audience that Moscow sought to convince people "that the maintenance of world peace depends solely on the further attitude of the Western Powers because the Soviet Union had sufficiently proved that it wants peace."²⁵ Beginning in Wroclaw, Poland, in September 1948, Soviet agents built their campaign to influence Western opinion around a series of international "cultural" conferences designed to provide stages for Communist-inspired pronouncements calling for world peace and condemning the Truman administration's increasingly confrontational

²²James Burnham, *The Coming Defeat of Communism* (London: Jonathan Cape, 1950), pp. 252-253. See also George H. Nash, *The Conservative Intellectual Movement in America since 1945* (New York: Basic Books, 1979 ed.), pp. 94-95. (11)

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²³Gustav Hilger, "Observations on the Communist 'Peace Offensive,'" 21 January 1949, reprinted in Warner, ed., *The CIA Under Harry Truman* (Washington: Central Intelligence Agency, 1994), p. 244. (U)

policies. Conferences scheduled for Mexico City, New York, and Paris aimed at convincing Western artists, writers, and scholars that Moscow was the last hope for world peace.²⁷ (U)

The "peace offensive" came to the United States in March 1949 with the opening of the Cultural and Scientific Conference for World Peace at New York City's Waldorf-Astoria Hotel.²⁸ Conference organizers copied the format of the Comintern-inspired congresses of writers and artists of the 1930s, attracting a panoply of American writers and artists, including Lillian Hellman, Aaron Copland, and Arthur Miller. The delegates joined with European and Soviet delegates to repudiate "U.S. warmongering." Russian composer Dmitri Shostakovich, for example, told the delegates that "a small clique of hatemongers" was preparing a global conflagration, and he urged progressive artists to struggle against the new "Fascists" who were seeking world domination. Shostakovich, who had recently penned an ode to Stalin's forestry program, also described for his 800 listeners "the unheard-of scope and level of development reached by musical culture in the USSR." American panelists echoed the Russian composer's fear of a new global conflict. Playwright Clifford Odets, for example, denounced the "enemies of Man" and claimed that fraudulent reports of Soviet aggression had whipped the United States into "a state of holy terror." Composer Aaron Copland declared "the present policies of the American Government will lead inevitably into a third world war."²⁹ (U)

The Cominform could hardly have picked a riskier place than New York City to stage a Stalinist peace conference. The City's ethnic communities brimmed with refugees from Communism, and its campuses and numerous cultural and political journals employed hundreds of politically left-leaning men and women who had fought in the bitter ideological struggles over Stalinism that divided American labor unions, college faculties, and cultural organizations before World War II. A handful of liberal and socialist New York writers, led by philosophy professor Sidney Hook, had seen an opportunity to steal a little of the publicity expected for the upcoming conference. Hook, a fierce ex-radical, was

²⁷International Organizations Group (Office of Reports and Estimates), "Weekly Summary No. 31," 14 December 1948, Office of Transnational Issues Job 78-01617A, box 49. (U)

²⁸The conference's American sponsor was the National Council of the Arts, Sciences, and Professions, in coordination with the Paris-based World Congress of Intellectuals, an organization linked to the Cominform. International Organizations Group, "Weekly Summary No. 8," 22 February 1949, Office of Transnational Issues Job 78-01617A, box 49 (declassified). (U)

²⁹"Shostakovich Bids All Artists Lead War on New 'Fascists,'" *New York Times*, 28 March 1949, p. 1. Richard H. Park, "Our Way Defended to 2,000 Opening 'Culture' Meeting," *New York Times*, 26 March 1949, p. 1. Paul Johnson, *Modern Times: The World from the Twenties to the Eighties* (New York: Harper & Row, 1983), p. 453. (U)

teaching philosophy at New York University and writing for a socialist magazine, *The New Leader*. Ten years earlier, he and his mentor John Dewey had founded a controversial group called the Committee for Cultural Freedom, which attacked both Communism and Nazism.³⁰ Hook's new group called itself the "Americans for Intellectual Freedom" and boasted some big names of its own, such as critics Dwight MacDonald and Mary McCarthy, composer Nicolas Nabokov, and commentator Max Eastman.³¹ (U)

Arnold Beichman, a labor reporter friendly with anti-Communist union leaders, remembered the excitement of tweaking the Soviet delegates and their fellow conferees. "We didn't have any staff, we didn't have any salaries to pay anything. But inside of about one day the place was just busting with people volunteering." One of Beichman's union friends persuaded the sold-out Waldorf to base Hook and his group in a three-room suite ("I told them if you don't get that suite we'll close the hotel down," he informed Beichman), and another labor connection installed ten phone lines on a Sunday morning.³² (U)

Funds for the counterattack came from a variety of sources, including David Dubinsky (president of the International Ladies Garment Workers Union) and Hook's own modest savings.³³ 25X1

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Hook and his friends stole the show. They interrogated the Soviet delegates at the conference's panel discussions and staged an evening rally of their own in Bryant Park.³⁴ News stories on the peace conference

³⁰Sidney Hook, *Out of Step: An Unquiet Life in the 20th Century* (New York: Carroll & Graf Publishers, 1987), p. 261. (U)

³¹Nabokov was a cousin of novelist Vladimir Nabokov and a contact of columnist Joseph Alsop, whose call to DCI Hillenkoetter got Nabokov a meeting with the Director in 1948. There is no record of what they discussed. See the Director's telephone and appointments log for 27 and 29 January 1948, Executive Registry Job 80R01731R, box 26, folder 873. (S)

³²Arnold Beichman, interview by Michael Warner, tape recording, McLean, VA, 17 March 1994 (hereinafter cited as Beichman interview) (Administrative Internal Use Only). Recordings, transcripts and notes for the interviews conducted for this study are on file in the CIA History Staff, CIA. (U)

³³Hook, *Out of Step*, p. 388. (U)

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³⁴Peter Coleman, *The Liberal Conspiracy: The Congress for Cultural Freedom and the Struggle for the Mind of Postwar Europe* (New York, Free Press, 1989), pp. 5-6. (U)

reported the activities of the Americans for Intellectual Freedom in detail. "The only paper that was against us in this reporting was the *New York Times*," recalled Beichman. "It turned out years later that [the *Times'* reporter] was a member of the Party."¹⁶ (U)

As soon as the Waldorf Congress closed, OPC started preparing for future peace conferences. The Office still had only a handful of staffers, but it tried to make up in energy what it lacked in structure and experience. Carmel Offie asked OPC's Department of State supervisor, Robert Joyce of the Policy Planning Staff, whether State intended to mount a similar "riposte" to a coming Communist-run peace conference in Paris.¹⁷ Offie had recently served in Frankfurt and was well acquainted with Irving Brown and his wide net of contacts in Western Europe; he had both the experience and influence to direct OPC's efforts in this new field.¹⁸ (S)

Over the next few weeks, OPC communicated a makeshift covert action plan for the Paris conference through at least three separate channels. The AFL's Irving Brown and Raymond Murphy of State's Bureau of European Affairs wrote to the Paris Embassy's First Secretary, Norris Chipman, while Wisner himself cabled Averell Harriman seeking 5 million francs (roughly \$16,000) from the Economic Cooperation Administration (ECA) to fund a counterdemonstration.¹⁹ Murphy graphically explained the need for a response to the Communist peace conference:

Now the theme is that the United States and the western democracies are the war-mongers and Fascists and the Kremlin and its stooges the peace-loving democracies. And there is a better than even chance that by constant repetition the Communies can persuade innocents to follow this line. Perhaps not immediately but in the course of the next few years because there is a tremendous residue of pacifism [sic], isolationism and big business [sic] to be exploited. For example, a recession in the United States might cause people to lose interest

¹⁶ Beichman interview, 17 March 1994. (U)

¹⁷ Carmel Offie, Special Assistant, Office of Policy Coordination, to Robert P. Joyce, Policy Planning Staff, Department of State, "Peace Conference in Paris," 28 March 1949, European Division 25X1 CIA analysis of the upcoming conference is contained in International Organizations Group, "Weekly Summary No. 15," 12 April 1949, Office of Transnational Issues Job 78-01617A, box 49 (declassified). 495

¹⁸ Hersh, *The Old Boys*, pp. 255, 259. Warner, *The CIA Under Harry Truman*, p. xxxviii. (U)

¹⁹ Irving Brown to Norris Chipman, First Secretary, US Embassy Paris, 4 April 1949. 25X1

25X1 20A1 this request was also signed by DCI Roscoe H. Hillenkoetter. The 5 million francs would come from Marshall Plan "counterpart funds." See also Morgan, *A Covert Life*, p. 149. (U)

in bolstering Europe . . . I think you will agree that this phony peace movement actually embraces far more than intellectuals and that any counter-congress should emphasize also that the threat to world peace comes from the Kremlin and its allies.⁴⁰ (U)

Working with Irving Brown, Chipman contacted French socialist David Rousset and his allies at the breakaway leftist newspaper *Franc Tireur*, which in turn organized an "International Day of Resistance to Dictatorship and War," inviting Hook and other prominent anti-Communists.⁴¹ OPC also covertly paid the travel costs of the German, Italian, and American delegations. The latter comprised Sidney Hook and novelist James T. Farrell; neither knew of OPC's involvement.⁴² (U)

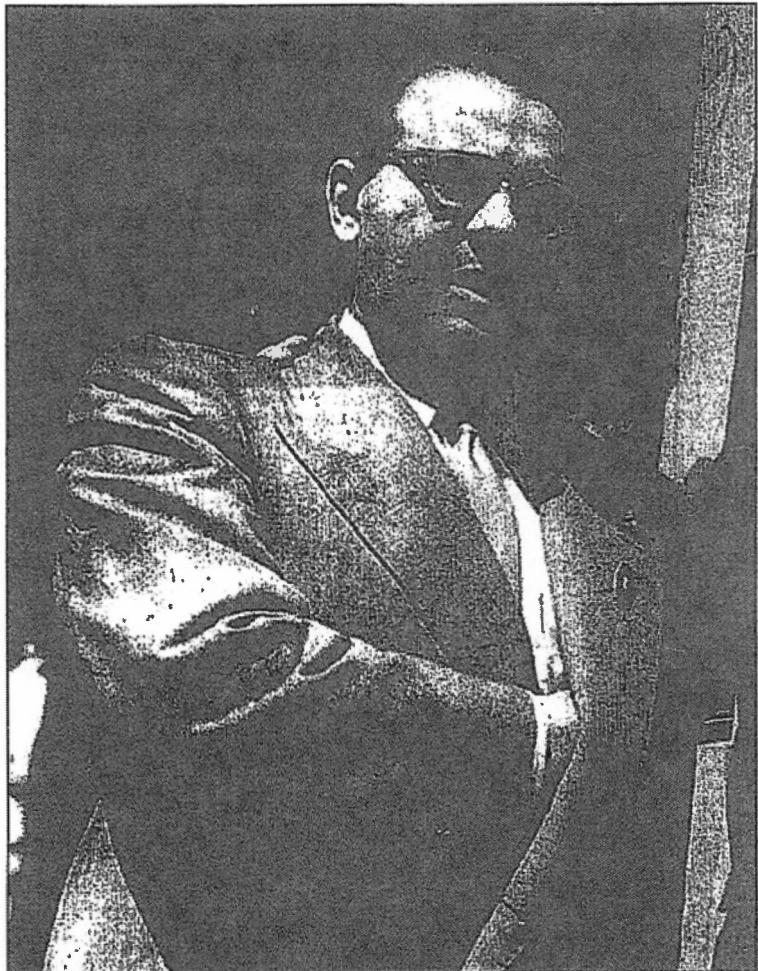
The Paris counterconference disappointed its American observers. Although it attracted a number of prominent anti-Stalinists and provoked angry blasts from French Communists, its tone was too radical and neutralist for Hook and Farrell, who felt obliged to defend US foreign policy against criticism by philosopher Jean Paul Sartre and other participants.⁴³ OPC and State agreed with Hook's assessment.⁴⁴ Carmel Offie did not believe that OPC had to rely on Rousset and his *Franc Tireur* crowd to reach French and European anti-Stalinists. Frank Wisner added a pointed postscript:

We are concerned lest this type of "leadership" for a continuing organization would result in the degeneration of the entire idea (of having a little "DEMINFORM") into a nuts folly of miscellaneous goats and monkeys whose antics would completely discredit the work and statements of the serious and responsible liberals. We would have serious misgivings about supporting such a show [emphasis added].⁴⁵ (U)

⁴⁰Raymond E. Murphy, Bureau of European Affairs, Department of State, to Norris Chipman
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⁴¹Carmel Offie to Norris Chipman, 4 May 1949, 25X1
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⁴³"Paris Rally Hails Freedom in Peace," *New York Times*, 1 May 1949, p. 12; Hook, *Out of Step*, pp. 400-401. 25X1
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Irving Brown made his extensive European contacts available to OPC. (c)

OPC now shelved Irving Brown's idea of holding a "World Conference for Intellectual Freedom and Peace" in France that summer.⁶ Nevertheless, the idea took on a life of its own when Sidney Hook chatted in

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Paris with his friend Melvin J. Lasky about the prospects for a permanent committee of anti-Communist intellectuals from Europe and America. Observers on both sides of the Atlantic concluded that the Continent needed a real conference of anti-Communists.⁷ Sidney Hook expressed the thought in typically apocalyptic terms:

Give me a hundred million dollars and a thousand dedicated people, and I will guarantee to generate such a wave of democratic unrest among the masses—yes, even among the soldiers—of Stalin's own empire, that all his problems for a long period of time to come will be internal. I can find the people.⁸ (U)

In August 1949 an important meeting took place in Frankfurt. Melvin Lasky, together with a pair of German ex-Communist refugees from Nazism, Franz Borkenau and Ruth Fischer, hatched a plan for an international conference of the non-Communist Left in Berlin the following year.⁹ Each of the three brought unique experiences and perspectives to their meeting. Lasky, only 29, had been a journalist and US Army historian during the war. He was already prominent in German intellectual circles as an anti-Communist and as the founding editor of *Der Monat*, a literary review sponsored by the American occupation government as a means of bringing Western writers back into the ken of the German public. In 1947, Lasky had taken no small risk by denouncing Stalin's latest purge of the Russian intelligentsia at a Communist-sponsored writers' conference in East Berlin. He had attended the Paris peace conference in April 1949, as had Borkenau, who had been a disappointed member of the German delegation.¹⁰ The third person present at that Frankfurt meeting, Ruth Fischer (given name Elfriede Eisler), knew perhaps as much as anyone in the West about Communist political action operations. She had recently published *Stalin and German Communism*, a study drawn from her experience as a former leader of the German Communist Party

⁷ Sidney Hook, *Out of Step*, p. 432. (U)

⁸ Sidney Hook cited in Coleman, *The Liberal Conspiracy*, p. 15. (U)

⁹ Coleman, *The Liberal Conspiracy*, p. 15. (U)

¹⁰ Coleman, *The Liberal Conspiracy*, p. 4.

Borkenau, *European Com-*

munism, p. 106. (S)

and a member of the Weimar Republic's Reichstag. *Stalin and German Communism* had included an analysis of Willi Münzenberg's creation and use of front groups in the 1920s and 1930s.⁵¹ (U)

Fischer drafted a proposal for a Berlin conference, explaining the idea as a way of using the Cominform's methods against it to sow doubt and dissension in the European Communist parties, particularly in France and Germany.⁵² She also gave the proposal to a diplomat friend in Paris, Norris Chipman. Fischer's cover letter added rhetorical flourish:

I think we talked about this plan already during my last stay in Paris, but I have now a much more concrete approach to it. I mean, of course, the idea of organising a big Anti-Waldorf-Astoria Congress in Berlin itself. It should be a gathering of all ex-Communists, plus a good representative group of anti-Stalinist American, English and European intellectuals, declaring its sympathy for Tito and Yugoslavia and the silent opposition in Russia and the satellite states, and giving the Politburo hell right at the gate of their own hell.

All my friends agree that it would be of enormous effect, and radiate to Moscow, if properly organised. It would create great possibilities for better co-ordination afterwards, and would also lift the spirits of Berlin anti-Stalinists, which are somewhat fallen at present.

Fischer hoped to talk to "a few friends in Washington" about the idea upon her return to the States.⁵³ (U)

Officials in Washington began to take notice, although Ruth Fischer's association with the scheme tainted it in some eyes. Carmel Offie had been alerted by Jay Lovestone in early August that Fischer would soon seek official American support for some venture; Lovestone warned Offie not to rely on Fischer "for any serious business."⁵⁴ Chipman

⁵¹Ruth Fischer, *Stalin and German Communism: A Study in the Origins of the State Party* (Cambridge: Harvard, 1948), pp. 610-614. Fischer's estranged brother, Gerhart Eisler, had been a Comintern agent in New York and was dubbed "the Number One Communist in the US" shortly before he was convicted (in 1947) of falsifying an exit visa. Freed on bail, he slipped his FBI tail and boarded a Polish ship; afterward he worked for many years as a propagandist in East Germany. Robert J. Lamphere and Tom Shachtman, *The FBI-KGB War: A Special Agent's Story* (New York: Random House, 1986), pp. 44, 48-49, 64. (U)

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⁵²Ruth Fischer to Norris Chipman, 24 August 1949, in Political and Psychological Staff Job 78-01614R, box 1, folder 5, (Unclassified). (U)

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pouched the Fischer proposal to Offie in mid-September, and OPC officers debriefed Fischer herself in Washington a few weeks later. Some of the officers who heard her were unimpressed with the idea, but Offie seems to have thought the proposal worth a closer look.¹⁵ (S)

In any event, OPC apparently did not know how to get the Fischer plan off the ground. The proposal sat around until January 1950, when [REDACTED] Michael Josselson stepped forward to promote it. Josselson had witnessed the shaky beginnings of the anti-Communist counteroffensive at the Waldorf-Astoria and Paris that spring, while on leave from his duties as a cultural officer for the American occupation government in Germany. He told his composer friend Nicholas Nabokov that Berlin needed something similar.¹⁶ In September 1949 Josselson [REDACTED] the Office of Policy Coordination. Soon he talked with Lasky about the proposed conference.¹⁷ (S)

Michael Josselson was perhaps the perfect man for the job of implementing the Berlin conference idea for OPC. Born in Estonia in 1908, the son of a Jewish timber merchant, he moved with his family to Berlin during the Russian Revolution. As a young man Josselson studied at the Universities of Berlin and Freiburg, but he took a job as a buyer for the American Gimbels-Saks retail chain before earning a degree. Gimbels eventually made him its chief European buyer and transferred him to Paris, and then on to New York before the war. Josselson became an American citizen in 1942. Drafted the next year, he made sergeant and served as an interrogator in the US Army's Psychological Warfare Division. Like Melvin Lasky, Josselson stayed on in Berlin after demobilization to work with the American occupation authorities. Berlin was an ideal post for Josselson, who spoke excellent English, French, German, and Russian.¹⁸ (U)

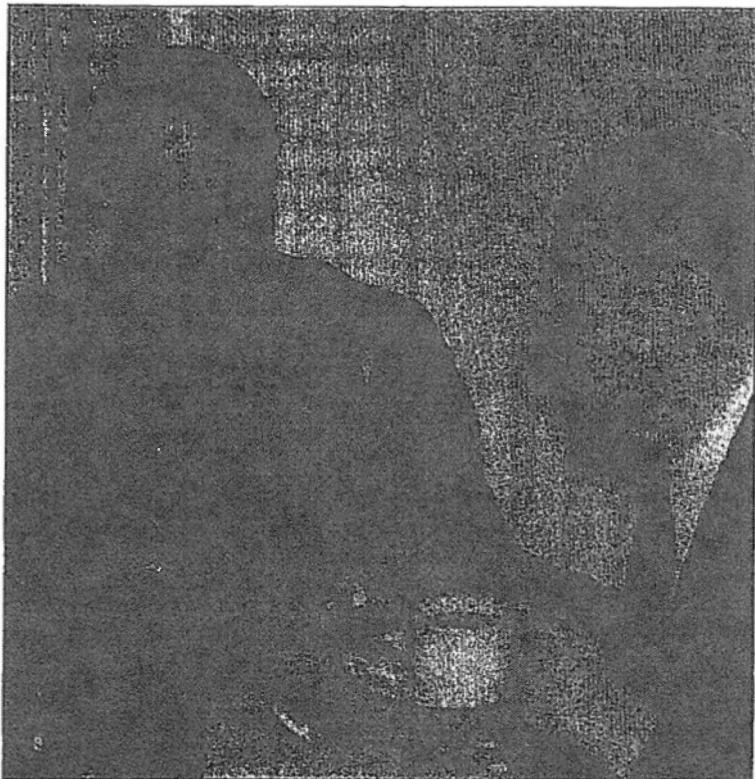
The drama and intrigue of postwar Berlin awakened something in Josselson and gave him scope to exercise his considerable talents as an operator, administrator, and innovator. His enthusiasm was boundless, his energy immense. He was soon working with the de-Nazification effort, helping to "rehabilitate" prominent Germans such as conductor Wilhelm Furtwängler and theater director Jürgen Fehling. In addition,

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¹⁵Coleman, *The Liberal Conspiracy*, pp. 5-6. 25X1

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¹⁶Josselson's personal history is attested in Coleman, *The Liberal Conspiracy*, pp. 40-43. 25X1
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Michael Josselson with German conductor Jürgen Fehling. (U)

having received an order in late September 1946 to create a new Berlin newspaper in time to influence the city's first postwar elections, scheduled for 20 October, Josselson accomplished the impossible with time to spare. In a city where 13 dailies already competed for readers (and for the limited supply of politically acceptable journalistic talent), Josselson took less than two weeks to hire the paper's staff and set its format and political line. The newspaper hit the streets—with a circulation of 100,000—in time to influence Berlin's first free elections in 14 years.* In addition, Josselson, in his capacity of Chief of Intelligence for the military government's Information Control Branch, soon became a valued

*Frank L. Howley, Office of Military Government (Berlin), to Lucius D. Clay, Commanding General, Office of Military Government for Germany, "Recommendation for Award," 8 January 1947, in *25X1*

contact of CIA's Berlin Operations Base.⁶⁰ He applied to join OPC in April 1949, while briefly in the United States. 25X1

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25X1 the following September. (S)

In Josselson's hands, the still-amorphous Fischer plan began to take specific shape. Where Fischer had proposed an essentially political gathering, Josselson advocated an explicitly cultural and intellectual conference to be called the "Congress for cultural freedom" [sic], which would seize the initiative from the Communists by reaffirming "the fundamental ideals governing cultural (and political) action in the Western world and the repudiation of all totalitarian challenges." A sponsoring committee of American and European thinkers would organize the event and formally invite the participants. In addition, the congress could be used to bring about the creation of some sort of permanent committee, which with the right people and "a certain amount of funds" could maintain the congress' momentum. Josselson's proposal reached OPC Headquarters on or about 25 January 1950.⁶¹ (S)

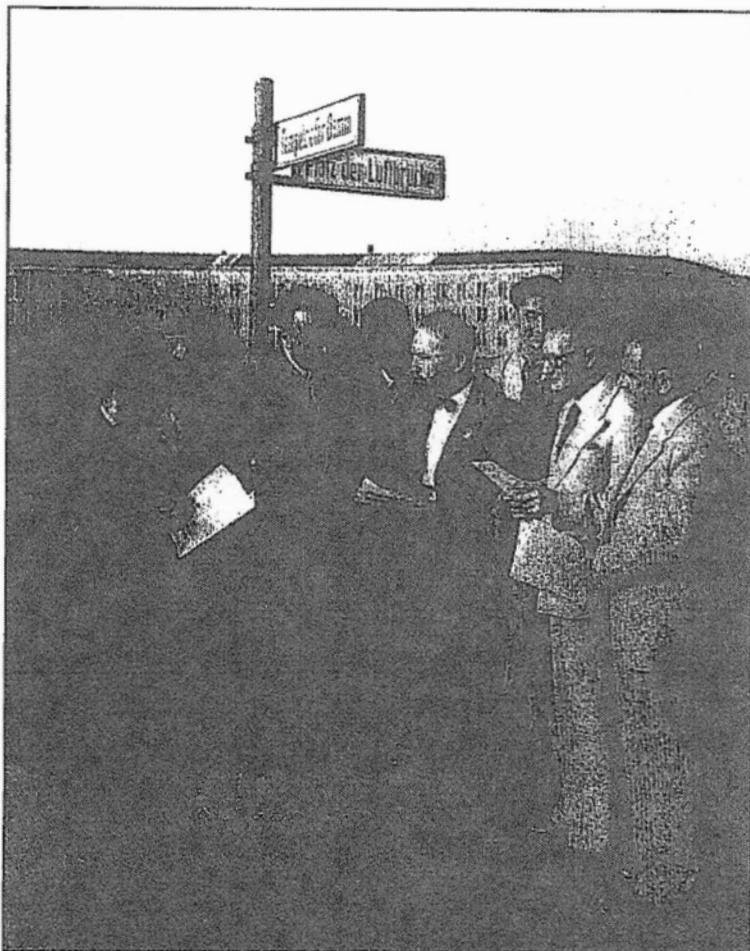
Josselson's interest in the congress idea gave Lasky all the encouragement he needed. Lasky, though unwitting of OPC's interest in the plan, forged ahead while Headquarters deliberated. In late December, he sent a proposal of his own to Sidney Hook, apparently presenting roughly the same proposal that Josselson had sent to Washington. Hook liked the idea.⁶² Lasky's free-lancing, however, was not all for the good. As an employee of the American occupation government, his activities on behalf of the congress struck more than a few observers, both friendly and hostile, as proof that the US Government was behind the event.⁶³ (U)

⁶⁰ Dana B. Durand, "Report on Berlin Operations Base: January 1946—March 1948," 8 April 1948, republished as Clandestine Services Historical Paper CSHP-24, 22 October 1966, CIA History Staff, p. 58. (S)

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⁶¹ Hook, *Out of Step*, p. 432. Hook replied to Lasky on 11 January 1950. A copy of Hook's letter somehow reached OPC's John E. Baker, chief of Area III of the Operations Division's Foreign Branch B, before the Josselson proposal arrived from Germany. 25X1

⁶² Communist organs would indeed accuse Lasky, on the eve of the Congress, of being an agent of the US Army and "the American secret service"; "Paper in Soviet Zone Hits Culture Parley," *New York Times*, 25 June 1950, p. 5. (U)



Melvin J. Lasky (with beard) meets the press, June 1950. (u)

OPC officers liked Josselson's plan. A group of them, including Offie, met on 6 February and gave Josselson the green light to proceed while Headquarters produced a formal project proposal.⁴⁴ James Burnham, on leave from New York University, worked as a consultant to the planners. Time was of the essence, although Headquarters soon realized that

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the congress could not be held before May or even June. On 7 April, Frank Wisner approved the \$50,000 project, adding that he wanted Lasky and Burnham kept out of sight for fear that their presence would only provide ammunition to critics of the conference in Berlin.^{a-(S)}

Meanwhile, Lasky had appointed himself the driving force behind the event. When informed of Wisner's wish that Lasky remain inconspicuous, Josselson defended Lasky, informing Headquarters that Lasky's name as General Secretary on the event's masthead had been largely responsible for the enthusiasm that the upcoming congress had generated among European intellectuals. "No other person here, certainly no German, could have achieved such success," cabled Josselson.^b This disagreement between Josselson and Headquarters would cause a problem later in the year and presage other disputes during the long life of the Congress for Cultural Freedom. (U)

The upcoming congress in Berlin rolled ahead, gathering sponsors and patrons. Lasky and his Berlin Committee easily gathered five internationally known philosophers to lend *gravitas* to the event as its honorary co-chairmen.^c Sidney Hook and James Burnham took charge of the details for the American delegation, working with Department of State officials (in frequent contact with their OPC colleagues) to arrange travel, expenses, and publicity. OPC bought tickets for the American delegation, passing most of the funds through the National Committee for Free Europe and Jay Lovestone's Free Trade Union Conference.^d The Department of State in particular proved an enthusiastic partner in the enterprise. The Assistant Secretary of State for Public Affairs Edward Barrett's aide, Jesse MacKnight, thought highly of the Congress participants and their potential for debunking the Communist peace offensive; before the Berlin conclave even took place, he urged the CIA to sponsor the congress on a continuing basis.^{e-(S)}

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^aThe five were John Dewey, Benedetto Croce, Karl Jaspers, Jacques Maritain, and Bertrand Russell. (U)
25X1



Sidney Hook (lighting cigarette) with James Burnham (left) in Berlin. (U)

The Threat to the Future (U)

While the Congress for Cultural Freedom gathered momentum, OPC was having less success with another of its anti-Communist initiatives. The 1940s saw something of a romance with "youth" in Europe and America. Social theorists of all political stripes made much of the then-trenchant observation that teenagers and young adults were the leaders of tomorrow and thus represented "the future." All of this attention seemed misplaced to some observers: Evelyn Waugh's novel, *Brideshead Revisited* (1944), for instance, snickered at contemporary shibboleths about "what the world owed to Youth." Nonetheless, US Government officials proved as likely as not to consider youth groups and youth attitudes essential to social stability and progress. This assumption begat a concern over the Communist Party's well-publicized hope of expanding the gains of Communism through clever appeals to young people. Using the World

Federation of Democratic Youth (WFDY) as a tool in its peace offensive, Moscow sponsored giant festivals replete with pageantry and stirring political sentiments, culminating in carefully worded (and always pro-Soviet) calls for peace and social justice. (U)

College students, as a subset of "youth," were another target of Communist organizational efforts. The new WFDY soon gained a partner: the International Union of Students (IUS). Students from 38 nations attending the first World Student Congress in Prague in August 1946 founded IUS to promote worldwide student fellowship. Eastern European Communists and Soviet agents dominated the organization's secretariat, however, orchestrating programs and debates; indeed, the IUS's first vice president, Soviet official Alexandre Shelepin, later rose to head the KGB under Nikita Khrushchev.⁷⁰ (U)

From the outset, Western observers complained about the IUS's politicization. IUS leaders squelched any protests through harsh rhetoric and parliamentary legerdemain. The conferences' one-sided declarations on controversial political issues also fostered doubts among many Western delegates, who worried that such pronouncements could alienate students hoping to build national student unions at home.⁷¹ The 25 American students who attended the IUS's founding Congress in Prague agreed among themselves that American college students needed a stronger voice in international student affairs, and that the only way to win more influence at such events as the IUS Congress was through a truly representative, national student organization. (U)

More than a few American student leaders in 1946 and 1947 turned their attention to creating such an organization in the United States. Similar attempts had foundered in the 1920s and 1930s, when groups constructed on overtly political platforms received little nationwide support, while other organizations that originally were intended to be broadly representative splintered into political factions.⁷² None of these organizations had survived World War II with significant national representation or credibility. (U)

⁷⁰John J. Dziak, "Soviet Deception: The Organizational and Operational Tradition," in Brian D. Dailey and Patrick J. Parker, *Soviet Strategic Deception* (Lexington: MA: Lexington Books, 1987), pp. 12-13. (U)

⁷¹Peter T. Jones, *The History of US National Student Association Relations with the International Union of Students, 1945-1956* (Philadelphia: Foreign Policy Research Institute, 1956), pp. 12-24. (U)

⁷²Martin M. McLaughlin, *Political Processes in American National Student Organizations* (Ann Arbor: Edwards Brothers, 1948), pp. 15-23. See also Cord Meyer, *Facing Reality: From World Federalism to the CIA* (New York: Harper & Row, 1980), p. 96. (U)

The American delegates to the Prague student congress thus faced long odds against them when they tried to fashion a new, national student association. They nevertheless had two advantages over their pre-war predecessors: the enthusiastic cooperation of Catholic students and colleges, and the relative maturity of postwar student leaders, many of whom were veterans. Having interrupted or postponed their studies to serve in the military, they had returned to campus older and more experienced than most of their classmates. Both factors helped these leaders to avoid the mistakes of previous student organizations.⁷³ Their careful planning bore fruit in August 1947 at the University of Wisconsin, where Catholic students led the delegates in founding the United States National Student Association (NSA), a confederation of student governments and college student councils. Catholic and liberal student leaders fought back attempts by the leftist minority to politicize the new association. Instead, these students founded a relatively stable organization dedicated to the interests and concerns of "students as students."⁷⁴ (U)

NSA's left wing never came close to co-opting the Association, but the NSA's foreign policy orientation remained a battleground for several years. Catholic students comprised only a minority of NSA delegations and offices. One of their leaders, Martin McLaughlin of Notre Dame, noted that a politically liberal but largely uncoordinated bloc of non-Catholics held the balance of power in the Association. This bloc opposed Communism and politicization but still viewed the Catholics as too eager to pick fights with their leftist rivals.⁷⁵ NSA did not formally affiliate with the IUS, and it cut off membership negotiations with the Union after the IUS secretariat failed to condemn the mistreatment of Czech students in the February 1948 Communist coup in Prague. NSA's move to distance itself from the IUS, however, did not end internal debates over the Association's dealings with the IUS and that body's increasingly disgruntled delegations from other Western nations. Western European students soon quietly began discussing the creation of a competing international student union—a step that NSA explicitly rejected in 1948. NSA's leaders at that time still saw no profit in turning the field of international student activities into another battleground of the Cold War by leading a revolt within IUS or inducing other national student unions to bolt the Union and create a rival organization.⁷⁶ (U)

⁷³McLaughlin, *Political Processes in American National Student Organizations*, pp. 51, 65-67. (U)

⁷⁴Ibid. (U)

⁷⁵Ibid. (U)

⁷⁶Peter T. Jones, *The History of US National Student Association Relations with the International Union of Students, 1945-1956* (Philadelphia: Foreign Policy Research Institute, 1956), pp. 57-68. (U)

NSA and the Communist threat to student life came to OPC's attention in the spring of 1949. Deputy ADPC Merritt Ruddock's friend George A. "Abe" Lincoln, on the faculty of the United States Military Academy at West Point, wrote Ruddock about a rumor he had heard from one of his cadets. It seemed a certain "National Scholastic Association" had asked this cadet's girlfriend to spend the coming summer doing "humanitarian work" behind the Iron Curtain. The whole thing smelled fishy to Lincoln:

I don't know whether the US has a similar program drawing people from the iron curtain regions to see the US way of life. I don't know whether our people are paying any attention to this "humanitarian" endeavor or whether it warrants attention. But it seems to me to be in the area of your business . . .

I feel very keenly that we can be gravely hurt in this cold war in the area of our colleges and universities. It was their weakness that magnified our stupidity during the thirties . . . May be we can't afford another such woolly-headed emotional orgy in the field where our pick and shovel local leaders are trained during their most formative years.

Will you show this to Frank [Wisner]?"

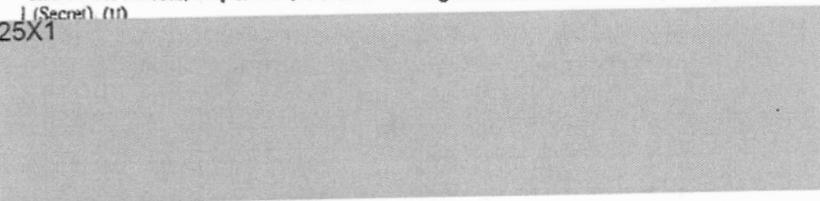
Ruddock relayed to Lincoln Wisner's interest and requested more information.⁷⁸ Wisner also queried the FBI about the "National Scholastic Association," but what he learned—if anything—apparently was not preserved in CIA's permanent files.⁷⁹ (U)

Given OPC's unsystematic approach and still-evolving procedures, its most important operational challenge in this field was finding someone with firsthand knowledge of the problem. In 1949, Frank Lindsay's Operations Division fortuitously hired several young Catholics who had just such knowledge and contacts in the small world of student and youth leaders. Between them, they identified for OPC the individuals who would eventually cement the CIA-NSA relationship in 1952.⁸⁰ (U)

⁷⁸G.A. Lincoln to Merritt K. Ruddock, 31 March 1949, Information Management Staff Job 78-04938R, box 1, folder 1. (U)

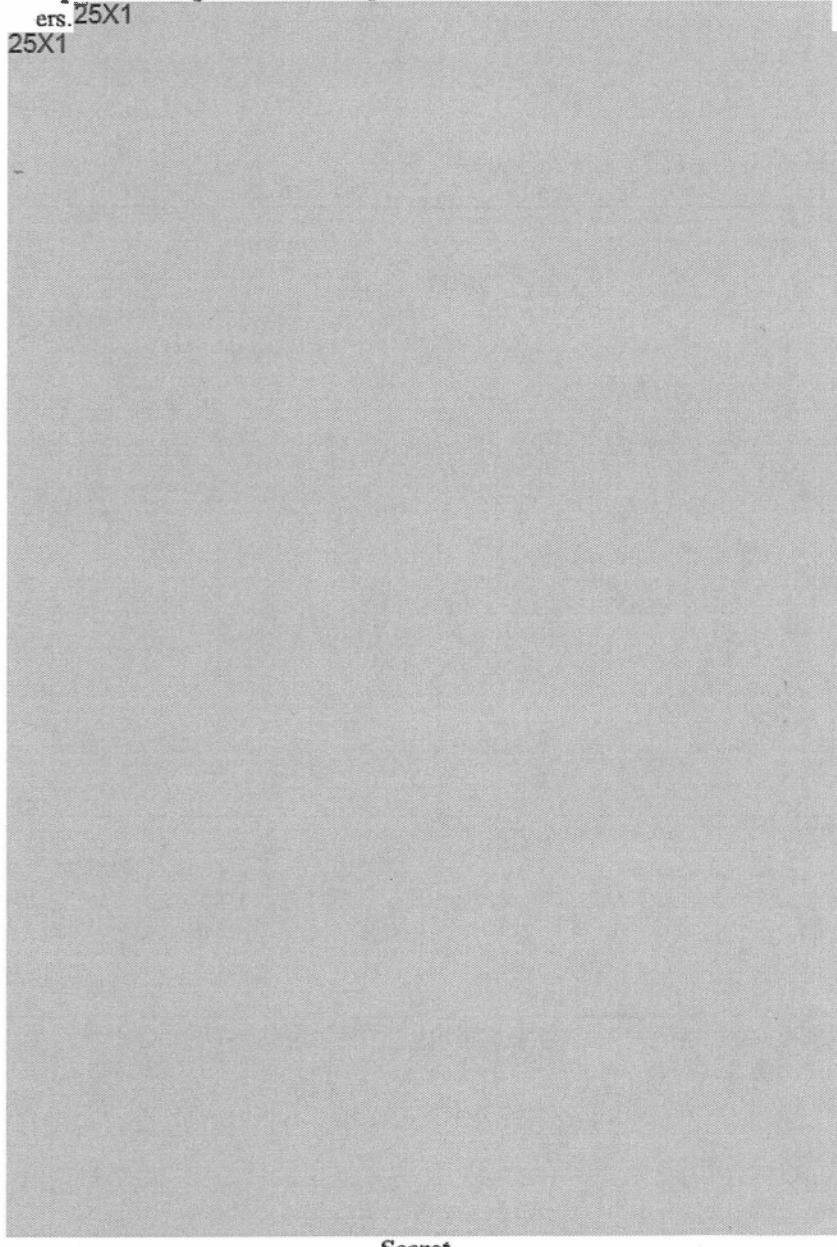
⁷⁹Ruddock to Lincoln, 8 April 1949, Information Management Staff Job 78-04938R, box 1, folder 1 (Secret). (U)

25X1



OPC soon launched a series of mostly fruitless initiatives in the
hope of creating some kind of operational relationship with NSA's offic-
ers.
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25X1

Realizing that it could accomplish nothing immediately, OPC set its sights on the IUS's Second World Student Congress, scheduled for Prague in August 1950.⁴⁵ In the meantime, Erskine Childers, NSA's International Vice President and Donald Sullivan's friend, was searching for a dozen student delegates for the Prague Congress (as well as the money to pay their fares).⁴⁶ OPC's Operations Division swung into action when it learned of this opportunity to sponsor the NSA delegation. As NSA's then-Executive Secretary Fred Houghteling told the story years later, a friend from Harvard contacted him at NSA's Madison headquarters and asked about the delegates NSA had selected. A few days later, the friend showed up again with two other men and that evening drove Houghteling to an isolated spot outside Madison. When they stopped the car, they told him that "the government" would fund NSA's delegation but would make it look as if the money (reportedly \$10,000 to \$12,000) had come from two wealthy philanthropists who wished to keep their gift quiet. A few weeks later Houghteling traveled to Chicago with another (unwitting) NSA staffer to formally "ask" for donations from the donors, themselves in secret contact with OPC.⁴⁷ (U)

25X1

OPC officer Milton Buffington summarized the Office's hopes for the Prague Student Congress [redacted]

It would be preferable to let the International Union of Students shoot its wad at Prague after carefully baiting it, short of an actual walkout, by the United States National Student Association and other Western influenced delegates who could present resolutions and formal motions of such type and character that the Communist majority of the International Union of Students would have to squelch them, in order to do obeisance to their Muscovite masters, but at the same time would lose face with the world in so doing.

Buffington concluded with a warning, saying that "a student or a youth movement can, unless properly handled, be a dangerous instrumentality and its exploitation could very well backfire or boomerang upon us."⁸⁸ This caution would limit NSA-OPC contacts while Buffington oversaw the Office's youth and student plans in 1950 and 1951. (S)

A Bolt From the Blue (U)

Early in 1950, President Truman directed Secretary of State Dean Acheson and Secretary of Defense Louis Johnson to reexamine America's strategic objectives. China had just fallen to the Communists, while the Soviets had tested their own atomic bomb, and a shaken White House felt the need for some clear thinking about the world situation and the risks for the United States. The report that Acheson and Johnson submitted in mid-April, known as NSC-68 (and drafted by the Department of State's Paul Nitze), painted the global battle between freedom and tyranny in lowering terms. Passages about "the struggle for men's minds" (lately a favorite phrase of Acheson's) stated that the Soviets were already waging full-scale psychological warfare against the West:

Every institution of our society is an instrument which it is sought [sic] to stultify and turn against our purposes [by the Communists]. Those that touch most closely our material and moral strength are obviously the prime targets, labor unions, civic enterprises, schools, churches, and all media for influencing opinion.

25X1

Frustrating the Kremlin's designs called for "a vigorous political offensive against the Soviet Union." One could read NSC-68, with only a little interpolation, as a call for a US-led effort to save international nongovernmental and voluntary organizations from Communist subversion.²⁰ (U)

President Truman did not formally approve NSC-68 until after the Korean war broke out in June 1950, but OPC officials knew the gist of the paper as soon as it reached the Oval Office. Indeed, Truman called publicly on 20 April for "a sustained, intensified program to promote the cause of freedom against the propaganda of slavery." "We must," said the President, "make ourselves heard around the world in a great campaign of truth."²¹ (U)

Senior OPC officers had discussed NSC-68 with Department of State representative Robert Joyce at Carmel Offie's house on 18 April. Joyce told them the directive would have a profound effect on operations.²² At OPC's working levels, NSC-68 meant vastly increased resources and a new operating climate. Programs and Planning Division chief Joseph Frank called his staff together on 25 April and told them that NSC-68, if approved, would bring dramatic changes. The National Security Council had determined that war with the Soviet Union was a distinct possibility, and now it wanted OPC "to spend a maximum amount of money." "This is a go-ahead for taking long shots," the note-taker recorded.²³ Every office in OPC heard roughly the same message. (S)

North Korea's invasion of South Korea in June 1950 galvanized an already-alarmed Washington and ensured NSC-68's approval. Overnight the official mood—which had grown cautiously optimistic in early 1949 with the success of the Berlin airlift but darkened again with the fall of China and the Soviet A-bomb test—turned grim and warlike. Congress suddenly approved huge budget hikes for the President's overt psychological offensive, the "Campaign of Truth," which would be run out of the Department of State's United States Information Service.²⁴ Edward Barrett later noted that "American Congressmen, like Americans in general, were suspicious of anything that could be labeled propaganda"; but "if you dressed it up as warfare, money was very easy to come by."²⁵

²⁰National Security Council, NSC-68, 14 April 1950, *Foreign Relations of the United States*, 1950, vol. 1, pp. 240, 263, 282. (U)

²¹Barrett, *Truth is our Weapon*, p. 73. See also Walter L. Hixson, *Parting the Curtain: Propaganda, Culture, and the Cold War, 1945-1961* (New York: St. Martin's, 1997), p. 14. (U)

25X1

²²Barrett, *Truth is our Weapon*, pp. 80-82. (U)

²³Hixson, *Parting the Curtain*, p. 15. (U)

OPC had grown steadily before the Korean conflict, but soon the pace of its expansion increased at a rate perhaps too fast for the Office's good.^{25X1}

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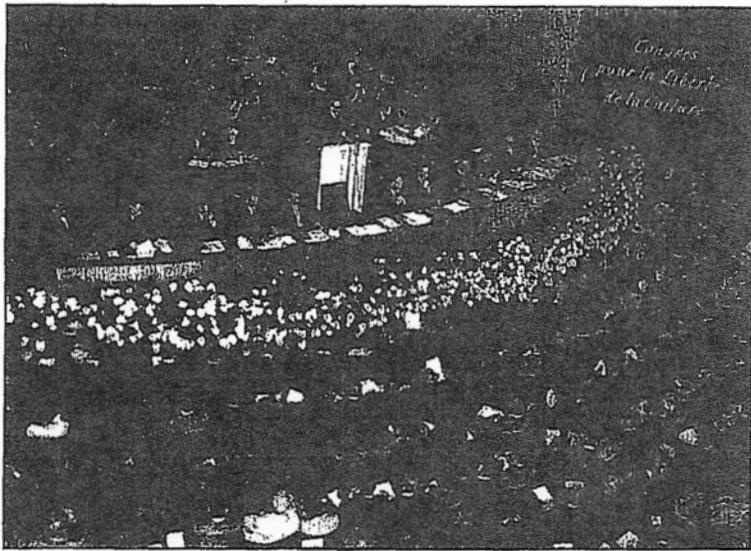
25X1

Although much of the new money and staff went directly into the Korean war effort, every division and staff enjoyed a massive increase in resources.^{25X1} (S)

The Congress for Cultural Freedom opened in West Berlin's Titania Palace on Monday, 26 June 1950, a day after the arriving American delegates had learned that troops of Communist North Korea had launched a massive invasion of the South.²⁶ This pointed reminder of Berlin's own vulnerability heightened the pervading apprehension and grim determination of the almost 200 delegates and 4,000 spectators—a mood that the Congress's opening caught and reflected. The strains of Beethoven's dramatic *Egmont* Overture evoked an earlier struggle against oppression and preceded Lord Mayor Reuter's request for a moment of silence in memory of those who had died fighting for freedom or were still languishing in Stalin's concentration camps. Many of those present in the Titania Palace may well have felt themselves part of a great gesture of defiance directed at the Stalinist empire. (U)

Rhetorical leadership of the subsequent sessions fell spontaneously to two eloquent Europeans with very different views, according to historian Peter Coleman. One was a quiet Italian socialist writer named Ignazio Silone, who had defied both Fascism and Communism. His opposite number was the anglicized Hungarian novelist Arthur Koestler, a brilliant foe of tyranny who nonetheless, according to Sidney Hook, "was capable of reciting the truths of the multiplication table in a way that would make some people indignant with him." Although both Silone and Koestler had written about their breaks with the Communist Party in a new book titled *The God That Failed*, they represented two poles of opinion on the best way to oppose Communism. Koestler favored the rhetorical frontal assault, sparing neither foe nor friend (he irritated some delegates who thought he was denouncing socialism and the British

²⁵The American delegation included Sidney Hook, James Burnham, novelist James T. Farrell, playwright Tennessee Williams, historian Arthur Schlesinger, Jr., actor Robert Montgomery, and David Lilienthal, chairman of the Atomic Energy Commission. Other Americans present included Max Yergan and, of course, Melvyn Lasky. (U)



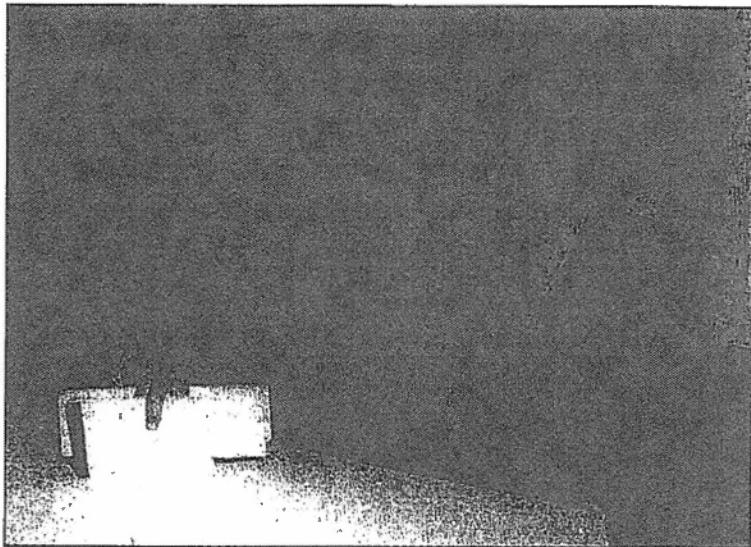
Lord Mayor Ernst Reuter addresses the opening session of the Berlin Congress for Cultural Freedom. (U)

Labour government). Silone was subtler, urging the West to promote social and political reforms to co-opt Communism's still-influential moral appeal.⁹⁷ (U)

Silone's ideas echoed the strategy that OPC adopted to guide its operations. Instead of backing the political right in Europe and Asia, OPC would back the "non-Communist left" as the most reliable bulwark against Communism. Silone and other thinkers of the non-Communist left suggested that only socialism or social democracy could lend the West the vision and the legitimacy to attain peace and prosperity—and thus dry up the sources of Communism's popular support. Whatever their misgivings about socialism, OPC officers conceded the strategic acumen of this thought. (U)

The competing ideas of Koestler and Silone lent a certain dramatic tension to the Congress, but their rivalry by itself confirmed that debate in the West was truly free, with room for all shades of anti-totalitarian opinion. The speeches and papers at the Congress, delivered by some of the free world's leading moral and social thinkers—who had temporarily set aside their differences to unite in a defense of democracy—impressed many as a brilliant and courageous defiance of the forces of

⁹⁷Coleman, *The Liberal Conspiracy*, pp. 22-32. The Koestler and Silone essays were written in 1949 and published in Richard Crossman, ed., *The God That Failed: Six Studies in Communism* (London: Harnish Hamilton, 1950). Hook, *Out of Step*, p. 438. (U)



Franz Borkenau (left) and Ignazio Silone in Berlin. (U)

darkness outside the gates. "Friends, freedom has seized the offensive!" shouted Arthur Koestler as he read the Congress's "Freedom Manifesto" before 15,000 cheering Berliners at the closing rally on 29 June.⁹⁸ The irony was subtle but real; Koestler had once worked for Soviet operative Willi Münzenberg managing front groups for Moscow, and now he was unwittingly helping the Central Intelligence Agency's efforts to establish a new organization designed to undo some of the damage that Stalin's agents had done over the previous generation.⁹⁹ (U)

Having set the Congress in motion, OPC sat back and watched while events played themselves out. Michael Josselson kept out of sight, although he watched everything that transpired. Hook, Burnham, Lasky, and Brown caucused every night to monitor the Congress' progress and to plan for the next day's sessions.¹⁰⁰ The men whom OPC brought together in Berlin needed no coaching on the finer points of criticizing Communism. Although the delegates had publicly debated tactics, American occupation authorities concluded that the delegates' unanimity in

⁹⁸Coleman, *The Liberal Conspiracy*, pp. 1, 27-28. The "Freedom Manifesto" was reprinted in Hook, *Out of Step*, pp. 456-458. (U)

⁹⁹See Koestler's untitled essay in Crossman, ed., *The God That Failed*, pp. 71-72. (U)

¹⁰⁰Coleman, *The Liberal Conspiracy*, n 2725X1



Arthur Koestler addresses the Congress's closing rally. (U)

denouncing tyranny of all stripes had "actually impelled a number of prominent cultural leaders [in Germany] to give up their sophisticated, contemplative detachment in favor of a strong stand against totalitarianism."¹⁰¹ (U)

OPC Headquarters hailed the success of the Berlin Congress. Frank Wisner offered his "heartiest congratulations" to all involved,¹⁰² while OPC's institutional sponsors also judged the affair a hit. Department of Defense liaison John Magruder, in a memo to Secretary of Defense Louis Johnson, deemed it "a subtle covert operation carried out on the highest intellectual level" and "unconventional warfare at its best."¹⁰³ Johnson himself showed the after-action reports to President Truman and subsequently reported that the President was "very well pleased."¹⁰⁴ (U)

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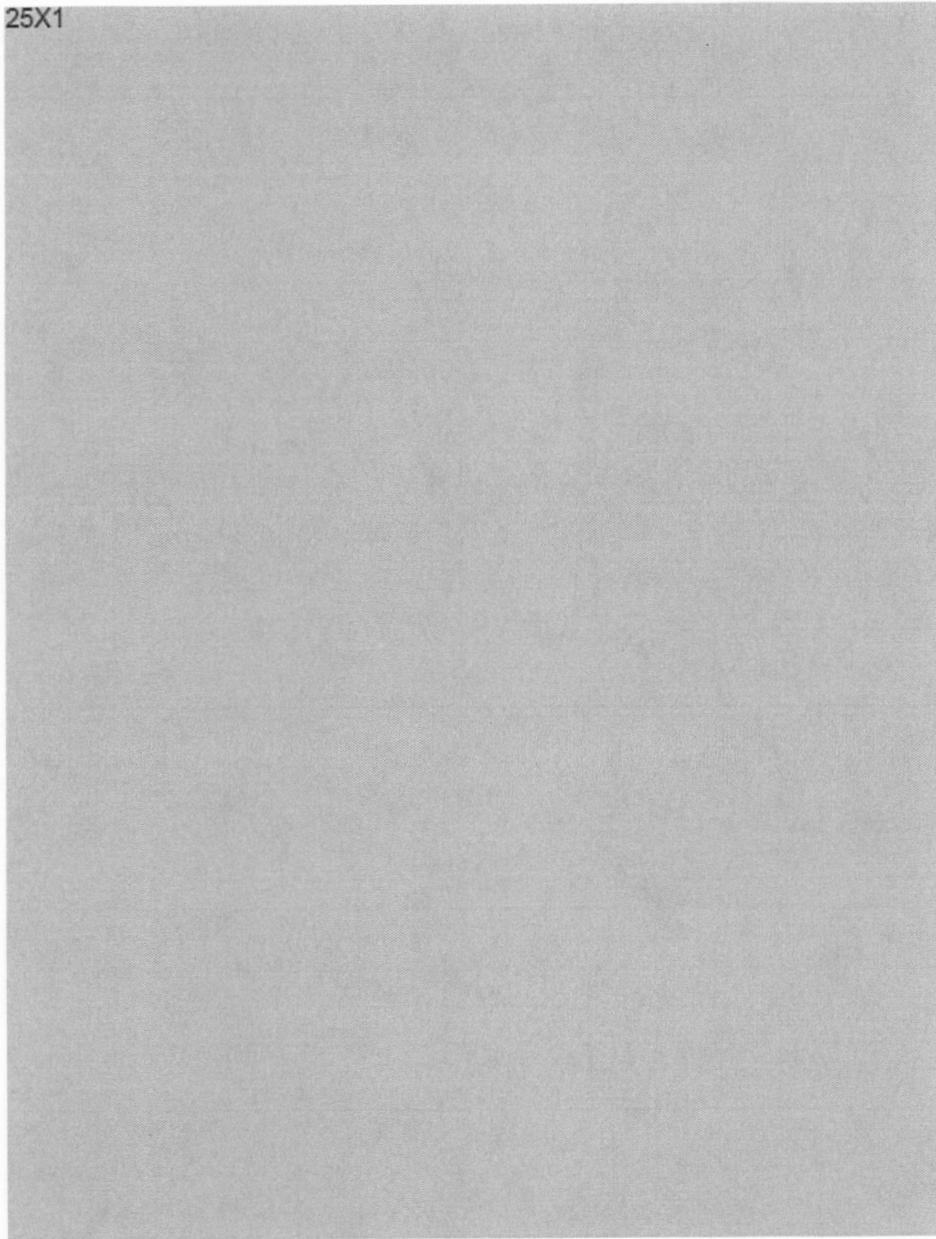
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Slow Progress (U)

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36

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The Prague Congress that August proved to some Western observers that IUS had become a thoroughly Stalinized institution. NSA delegate Robert West scribbled notes during one of the Congress' orchestrated demonstrations of solidarity with North Korea:

After sixteen and one-half minutes, chair requested delegates take their seats, but this entirely ignored . . . demonstration continued unabated. Each individual Korean carried by group of students through aisles between tables. Songs and clapping continue at end of twenty minutes. Demonstration ended suddenly at twenty and one-half minutes . . . delegates returned rather quietly to seats. At end of paragraph they picked up last sentence of [IUS President Josa] Grohmann . . . Hands Off Korea shouted in unison. From where I sit, I can see Scots, in red academic robes, seated in the midst of the confusion. I know also, British and Danes and South Africans are seated. Swede has walked away from seat.

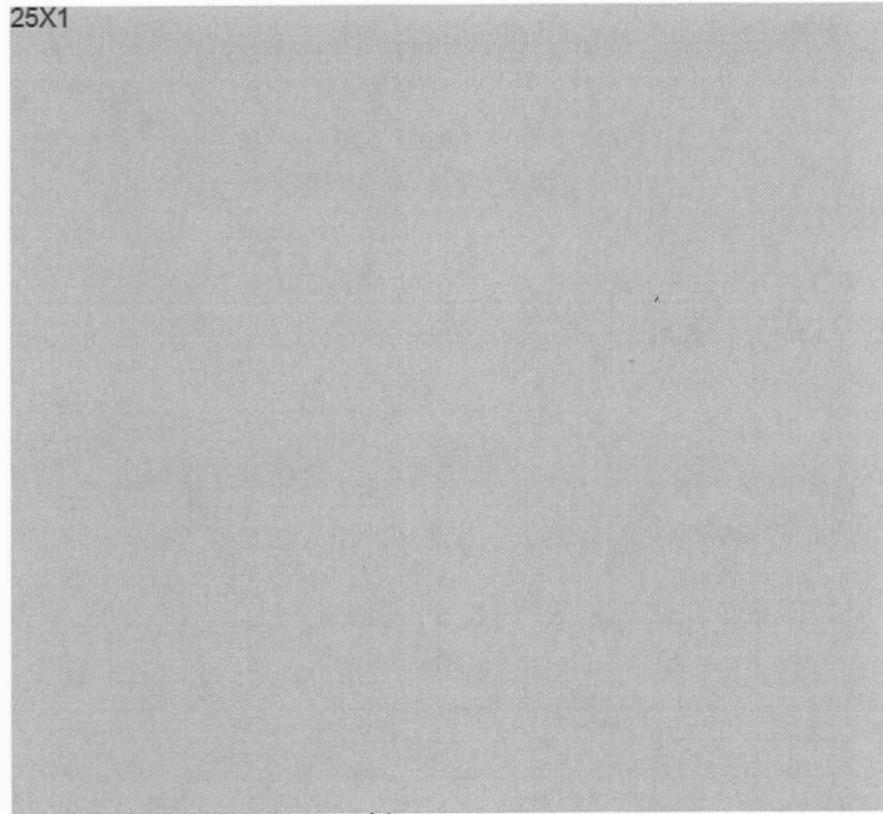
The unhappy Americans and the other Western European delegates began meeting together in the evenings to complain about the IUS's Stalinist tack. They agreed to discuss formal cooperation between their respective student unions at a conference in Scandinavia the following December.¹⁰¹

(U)

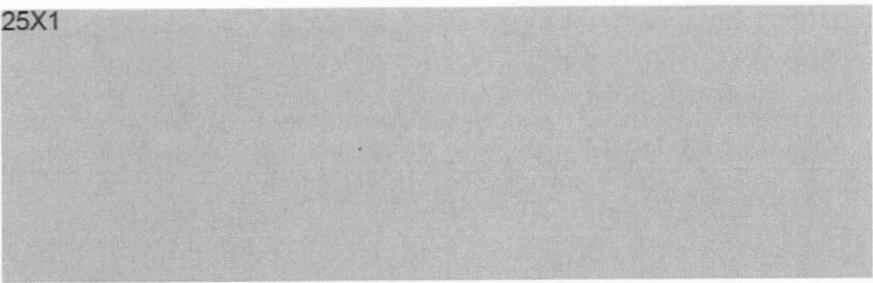
The delegates' report convinced NSA's leaders that the time had come to end the policy of practical cooperation with the IUS. Nevertheless, NSA still refused to commit itself to supporting a new Western group for fear of splitting the international student world into rival blocs. The NSA Congress in Ann Arbor in August 1950 reflected this ambivalence by electing as president Allard K. Lowenstein, who favored a split, and as international affairs vice president Herbert Eisenberg, who still thought it premature to make a total break with the IUS. This policy dispute and the consequent argument over the relative power of the offices of president and international affairs vice president weakened NSA for the entire 1950-51 school year.¹⁰² (U)

¹⁰¹Jones, *The History of US National Student Association Relations with the International Union of Students*, pp. 75-78. The three Americans representing NSA in Prague were Robert West, Eugene Schwartz, and William Holbrook. See also International Organizations Division (Office of Reports and Estimates), "Weekly Summary No. 33," 22 August 1950, Office of Transnational Issues Job 78-01617A, box 49 (declassified). **25X1**

¹⁰²Jones, *The History of US National Student Association Relations with the International Union of Students*, pp. 79-80. (U)

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The Stockholm International Student Conference (ISC) in December 1950 did not accomplish the rupture with IUS that OPC had desired, although it marked another small step forward from the Office's point of view. Lowenstein and Eisenberg, joined by Schmidt

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attended for NSA.¹¹³

Some of the European delegates criticized Lowenstein's plea for a complete break with IUS and the formation of an explicitly anti-Communist international organization. Their hope for continued cooperation with IUS had grown noticeably dimmer, however, and with regrets the delegates agreed to formalize their own separate cooperation, establishing an office and a set of loose procedures for a permanent "International Student Conference."¹¹⁴(S)

Despite the Stockholm conclave's ambiguous result, Harvard Government Professor William Y. Elliott soon afterward urged the CIA's recently appointed Deputy Director for Plans, Allen Dulles, to consider subsidizing NSA. Elliott had been lobbying Wisner for OPC assistance to a non-Communist international student body and viewed NSA as a way toward this end.¹¹⁵ Dulles was still learning his new job, however, and seems to have come to no decision on the matter. Milton Buffington explained his own reluctance not long after Elliott met with Dulles. The most important objection, in Buffington's eyes, was the fact that NSA had never knowingly taken government money for fear of compromising its independence. Buffington also saw a more practical obstacle to cooperation in the lingering dispute between Lowenstein and Eisenberg over the Association's policy toward the IUS.¹¹⁶(S)

Buffington's hesitation may have stemmed, at least in part, from NSA's inability to persuade foreign student groups that the time had come to abandon the IUS and create a truly independent international student organization. Western delegates had been shaken by the Prague conference in August 1950, but their new and loosely organized cooperative

¹¹³Lowenstein later claimed that he had paid his own way to Stockholm and took no OPC money. He also noted that someone had pitched him a "suspicious" offer to pay for the trip; he declined the funds when the source refused to divulge the money's origin 25X1

See

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David Harris, *Dreams Die Hard* (New York: St. Martin's, 1982), p. 168. 25X1

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25X1
¹¹⁴Jones, *The History of US National Student Association Relations with the International Union of Students*, pp. 80-81. (U)

25X1

¹¹⁵Milton Buffington to Lewis Thompson, "United States National Student Association," 17 February 1951, in Warner, *The CIA Under Harry Truman*, pp. 383-384. Buffington may have taken Lowenstein's aforementioned refusal to accept unattested funds for his Stockholm trip as proof that the current officers of NSA would refuse to cooperate with OPC. (U)

arrangement did not look promising except as a pathway to a more vital, permanent organization. While they waited, Buffington and his colleagues in OPC turned their attention and resources to the problem of building a relationship with a seemingly more promising organization, the World Assembly of Youth. (U)

CCF Moves to Paris (U)

Almost before the last chairs were folded in Berlin's Titania Palace the previous June, various OPC officers and contacts began campaigning for approval of a project to support the Congress for Cultural Freedom on a permanent basis. The Congress already was continuing on by virtue of its own momentum and a small OPC subsidy, with token offices in Berlin and Paris and a pair of committees that had been nominated in June.¹¹⁷ Michael Josselson pouched to Washington a copy of Melvin Lasky's outline of the form and mission of a permanent Congress for Cultural Freedom. He pointed out that events were moving rapidly; an informal steering committee comprising Melvin Lasky, Irving Brown, and Arthur Koestler was meeting in Paris to decide the final shape of the permanent Congress.¹¹⁸ (U)

For the time being, however, Frank Wisner—in effect agreeing with James Burnham that a permanent Congress could pull European opinion away from neutralism—had decided that Eastern Europe Division had to remove Melvin Lasky and Burnham from prominent positions in any ongoing project.¹¹⁹ Burnham was happy to step aside, agreeing that he made an easy target for the Congress' critics.¹²⁰ (S)

Lasky was another matter. Michael Josselson had defended Lasky's involvement in April, and EE Division—while admitting that Lasky was

¹¹⁷The Congress's governing body at this point was a 5-man executive committee comprising Irving Brown, Ignazio Silone, Arthur Koestler, Carlo Schmid, and David Rousset. 25X1
25X1

25X1
Conspiracy, p. 34. (S)
25X1

See also Coleman, *The Liberal*

a lightning rod—nonetheless agreed with Josselson that Lasky had been a key to the Berlin gathering's success.¹²¹ This apologia infuriated Wisner. In a scathing memo to EE, the ADPC declared himself "very disturbed" by the "non-observance" of his April command to have Lasky moved to the sidelines of the project. Lasky's visibility was "a major blunder," recognized as such "by our best friends in the Department of State." Wisner made himself clear: unless the headstrong Lasky left the Congress for Cultural Freedom, OPC would not support the organization.¹²² EE had no choice but to cable Wisner's instructions to Germany.¹²³ Michael Josselson exploded and cabled a histrionic protest, but there was nothing he could do.¹²⁴ Lasky had to go, and OPC contrived to have him removed from the project and canceled his operational clearance.¹²⁵ (S)

The Congress' steering committee formally established the Congress for Cultural Freedom as a permanent entity on 27 November 1950. The Agency's Project Review Board had approved the project—OKOP-ERA—earlier that same month **25X1**

25X1 The new organization chose a seven-member Executive Committee, with the Swiss aristocrat Denis de Rougemont as its President.¹²⁷ Josselson's

¹²¹ Louis Glaser to Frank Lindsay, "Activities of Mr. Melvin Lasky in connection with Congress for Cultural Freedom (Project PDQUICK)," 4 August 1950, Political and Psychological Staff Job 78-01614R, box 1, folder 4-(S).

¹²² Frank Wisner to C.D.G. Breckinridge, "Berlin Congress for Cultural Freedom: activities of Melvin Lasky," 8 August 1950. **25X1**

25X1 ^{25X1} Wisner viewed Lasky's actions as interference in a covert operation by the employee of another US agency, and he made sure that his contacts in the Department of State knew of his unhappiness. State's Jesse MacKnight agreed with Wisner on this issue, lamenting that the activities of officially connected Americans in Germany were particularly difficult to control (from a public relations standpoint) because they were under the authority of the High Commission for Germany. **25X1**

¹²⁷ The other members of the committee were Irving Brown, Arthur Koestler, Eugen Kogon, David Rousset, Stephan Spender, and Ignazio Silone. Raymond Aron, among others, served as an alternate member. Coleman, *The Liberal Conspiracy*, p. 37. Apparently Irving Brown was the only writing member of the Executive Committee. (S)

friend Nicolas Nabokov became Secretary General and principal executive officer (although CIA security, believing him to be a homosexual, refused to allow case officers to brief him about the OPC connection).¹²⁸ (S)

The organization's move to Paris had already prompted OPC to transfer the project from the Eastern Europe Division 25X1 25X1 Western Europe Division [REDACTED] Michael Josselson resigned his 25X1 job with the American occupation government in Germany to take the post of Administrative Secretary in Paris 25X1 [REDACTED] Josselson would be 25X1 [REDACTED] the Congress's "enlivening spirit" for the next 17 years. (S)

Conclusion (U)

By January 1951 the Central Intelligence Agency had decided and begun to use American intellectuals and college students (as well as other segments of American society) as unwitting apologists for US policies abroad. Agency officials perceived this to be a matter of necessity; given the global emergency, stopping Communism seemed to justify desperate expedients. The Soviets and their satellites at roughly this time were reportedly thought by American "intelligence agencies" to be spending \$1.5 billion a year on domestic and foreign propaganda (with 10 percent of that in France alone!).¹²⁹ Neither the NSA nor the CCF operations was very far along yet, and within a few years senior Agency officials would have second thoughts and voice misgivings about the risk of scandal. These worries would prove decisive in the case of the Congress for Cultural Freedom, but would not significantly affect the operation involving the National Student Association.

With little explicit guidance from the White House or the NSC on using domestic voluntary associations, but general praise for the Congress' conference in Berlin, OPC felt encouraged to proceed. The new DCI, Walter Bedell Smith, was still asking the NSC to exercise a strong coordinating role in national psychological strategy. OPC filled the policy vacuum with its own ideas and projects. (U)

¹²⁸Coleman, *The Liberal Conspiracy*, p. 43. 25X1
25X1

¹²⁹OKOPERA 25X1
25X1

¹²⁹Barrett, *Truth is Our Weapon*, pp. 172, 183. (U)

The Office, having no corporate operational experience or covert infrastructure of its own, chose to rely on American voluntary organizations with foreign contacts for operational entrée and cover. OPC officers quickly learned that such organizations themselves did not yet exist, at least not in forms that would have allowed OPC to make secure and effective use of them as psychological warfare instruments. Nonetheless, various individuals in and around the National Student Association and the short-lived "Americans for Intellectual Freedom" wanted very much to fight Stalinism in Europe. Thus OPC applied itself to the task of subsidizing and assisting the activities of these people, hoping they might gain influence and followings in their respective circles. No coercion was involved or necessary; OPC simply ensured that funds would be available to finance certain forms of anti-Communist activism and organizing by the right sorts of Americans. (U)

OPC's new projects embodied a sophistication that belies depictions of the Truman administration's "psywar" offensive as a simplistic McCarthy-era exercise in wishful thinking about "liberation" of the East.¹³⁰ The subtlety was twofold: in the employment of the "front" system that Merrit Ruddock described in 1949; and in the use of unwitting American critics of US policies as exemplars of free speech. Both innovations were forced on OPC by its initial weakness and inexperience, but OPC officials quickly recognized both as significant and beneficial. (C)

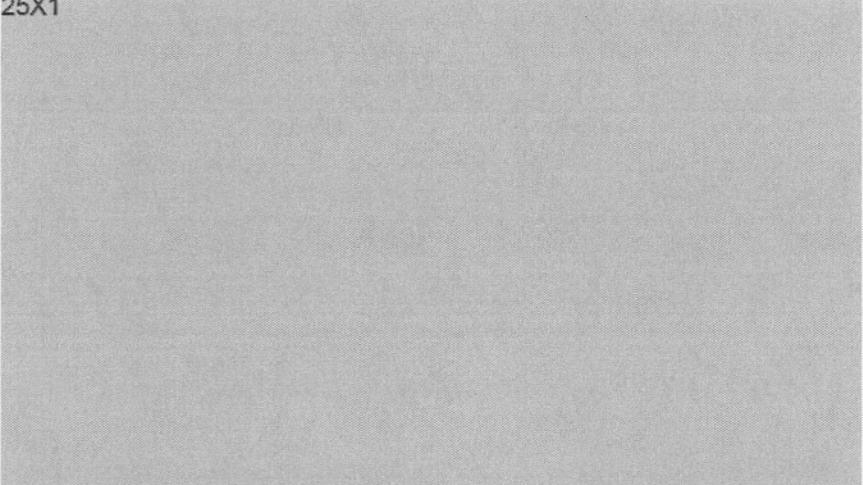
The record of this early period shows no specific instance of OPC officials objecting that CIA-supported organizations were attempting to influence the views of American citizens on foreign policy issues. Some OPC components chose to encourage and reward vocal anti-Communist intellectuals like Sidney Hook and James Burnham at a time when US policy toward Moscow was a live issue in American political debates. Other OPC branches worked somewhat less effectively to ensure that the National Student Association's leaders—hitherto ambivalent about the necessity and wisdom of open confrontation with the Communist-dominated International Union of Students—saw with their own eyes the face of Stalinism at the Prague IUS conference in August 1950. The fact that OPC was not yet (as of mid-1951) subsidizing NSA's day-to-day operations owed more to the individual personalities in both organizations and the inexperience of Office personnel than to any reluctance to inject covert funds into an American student group. (U)

¹³⁰ Walter Hixson verges on such a mischaracterization in his division of American Cold War policies into "aggressive psychological warfare" versus the "evolutionary approach"; *Parting the Curtain*, pp. xiv, 101, 115. (U)

Indeed, the Office of Policy Coordination had taken sides at home as well as abroad. ADPC Frank Wisner glimpsed danger in OPC's involvement in domestic political life. In November 1950, with the Korean war raging and the US Government anticipating a global conflict with the Soviet Union, he reminded his OPC staff and division chiefs that

the ultimate objective of any proposed undertaking must clearly be to produce an effect upon a foreign state or group. This effect may even be the ultimate reception abroad of an idea which has been produced and disseminated within the United States. It is not appropriate to undertake any activity which has the objective or primary effect of influencing the foreign or domestic policies of the United States, or of influencing the internal security of the United States, or which has as its target a domestic group in the United States.¹¹

25X1



OPC's insensitivity to certain larger issues inherent in the use of Americans as unwitting apologists for official policy mirrored the feeling that pervaded official Washington. The authors of NSC-68, for their part, seemed more concerned about unintended consequences abroad rather than at home:

The integrity of our system will not be jeopardized by any measures, covert or overt, violent or non-violent, which serve the purposes of frustrating the Kremlin design, nor does the

25X1

necessity for conducting ourselves so as to affirm our values in actions as well as words forbid such measures, provided only that they are appropriately calculated to that end and are not so excessive or misdirected as to make us enemies of the people instead of the evil men who have enslaved them.

NSC-68 had sounded a note of caution, however, urging due care "to avoid permanently impairing our economy and the fundamental values and institutions inherent in our way of life."¹³² This concern, in the eyes of some observers, would later seem prophetic. (U)

¹³²NSC-68, *Foreign Relations of the United States*, 1950, Volume I, pp. 244, 289. (U)

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Chapter Two

Trial and Error

The Management of Covert Subsidy Programs, 1951-1966 (U)

The CIA's use of American voluntary organizations to stiffen resistance to Communism abroad gained an attentive patron with the arrival of Allen Dulles as the first Deputy Director for Plans (DDP) in January 1951. Dulles had experience with these activities as one of the ostensible founders of the National Committee for Free Europe, and he also had taken an interest in OPC's labor operations. He was intrigued by the possibilities for taking the offensive against Communism in other fields as well. Dulles' attention to these matters persisted as he rose to Deputy Director of Central Intelligence and then succeeded Gen. Walter Bedell Smith as DCI at the beginning of the Eisenhower administration. His long tenure as Director coincided with the maturation and middle age of the Agency's operations with American voluntary groups. (C)

CIA operations involving American voluntary groups expanded so quickly during the early 1950s that the Agency had to devise elaborate procedures to fund, manage, and protect its operations. A growing professionalism became noticeable as the Directorate of Plans (formed by the 1952 merger of OPC and OSO) applied better people and practices to covert political action. Nevertheless, the sheer size of the covert subsidy program, which leant substantial institutional momentum to its individual operations, also made it increasingly difficult to fund them in a secure manner. This study will examine three individual operations in later chapters, but before doing so it will explain, in this chapter, how this covert action program grew so large and why it did so without correcting what ultimately proved to be fatal weaknesses. (U)

The Creation of IO (U)

In April 1951, DDP Allen Dulles brought Thomas Braden to CIA. Just 33 years old, Braden already owned a distinguished resume. Raised in Iowa, he graduated from Dartmouth and spent three years in the British Army before joining the Office of Strategic Services in 1944. He had co-authored (with Stewart Alsop) *Sub-Rosa: The OSS and American Espionage*, served as Executive Secretary for New York's Museum of Modern Art, and directed Gen. William J. Donovan's American Committee for a United Europe (which was passing OPC money to selected groups working for European unity).¹ (S)

DDP Dulles initially gave Braden Carmel Offie's labor portfolio (Offie had resigned in May 1950). Dulles also removed the coordination of labor operations from Wisner's OPC, but when Dulles became Deputy Director of Central Intelligence (DDCI) he hit upon a better idea for handling such sensitive programs. In August 1951, Dulles had OPC's Special Projects Division renamed the International Organizations Branch, and had it placed in a new Psychological Staff Division (PY). Dulles then put Tom Braden in charge of the International Organizations Branch and added to the Branch's duties the management of labor operations and the National Committee for Free Europe.² (S)

Braden soon began looking for new responsibilities for his branch. He talked to several division chiefs, persuading them without much difficulty to give him control over the Congress for Cultural Freedom and the Committee for Free Asia (CFA) projects.³ He also drafted a broad mission statement for the reconstituted IO Branch and passed it to the new Assistant Director for Policy Coordination, Kilbourne Johnston. Braden's ambitious plan proposed a counteroffensive against Moscow's drive to unite the discontented of the world against America and the West:

It is the function of the [International Organizations] Branch to expand and direct this counter-offensive. Through the penetration, control and support of selected non-governmental groups . . . this Branch will seek to unite the private and unofficial resources of the non-Soviet world in support of affirmative US policy objectives and to destroy the effectiveness of Soviet international programs.

¹Thomas W. Braden, interview by Michael Warner, tape recording, Prince William County, VA, 26 August 1993 (hereafter cited as Braden interview). (S)

25X1

Braden cited eight operational areas, ranging from emigre radio broadcasts to "exploitation" of Western culture, as parts of a broad assault on Soviet power and influence.⁴ (S)

The fate of Braden's proposal demonstrated two things. First, it showed the close attention that Allen Dulles paid to international labor and cultural projects, and his willingness to protect IO Branch and its projects from bureaucratic attacks. Second, it highlighted the novelty of the covert actions that OPC undertook with groups such as the Congress for Cultural Freedom and the National Student Association. These actions were unconventional responses to the Soviet peace offensive, and their merit was not always noticed by the intelligence professionals in the Office of Special Operations or even by other OPC hands in the area divisions. While other offices skirmished with Communism in Europe and the Third World, in Braden's view, his staff would operate on a strategic scale by attacking the enemy's will and his capacity to initiate hostile action. (U)

Resistance to Braden's ideas in OPC did not take long to emerge. The main problem was the already-hoary internal OPC dispute over the boundary between plans and operations. Would the IO Branch have *operational* control, superior to that of the area divisions, over the operations it had planned and initiated in their respective countries? Or would the branch limit its activities to reviewing the plans of other divisions? (C)

Braden insisted his effective international programs cut across the regional boundaries of OPC's area divisions, and categorically rejected any proposal that would let the area divisions write project proposals while IOB merely offered advice. He had several objections to such a plan. Chief among them was his concern that the area divisions would tend to devote their resources and attention to operations of immediate regional concern, and would have difficulty judging the needs and relevance of transnational organizations.⁵ (U)

ADPC Johnston seems to have sided with his area division chiefs. Deputy Director for Plans Frank Wisner, who apparently saw no easy solution to the dispute, chose to stay out of the fray. He did nothing about

⁴Thomas Braden, Psychological Division, to Kilbourne Johnston, Assistant Director for Policy Coordination, "Objectives of the International Organizations Branch," 19 November 1951, cited in Anne B. Crotius' draft history, "Covert Action in the Cold War: An Historical Perspective of the International Organizations Division, 1951-1962," a draft monograph in the Clandestine Services Historical Series, 2,242, CIA History Staff, 1972, pp. 14-17. (S)

⁵Tom Braden to Kilbourne Johnston, "Relations of International Organizations Branch to Area Divisions," 29 November 1951. (C)

Braden's 29 November memo for a month; Braden was still nagging him to read it the day after Christmas.⁶ Even after Wisner read the memo, he did nothing to help or hinder Braden's plan. (S)

By this time, Braden had appealed to Dulles over the heads of both Johnston and Wisner. On 20 December, Braden asked Dulles to resolve the dilemma of an IO liaison officer who had been assigned to 25X1 but was reluctant to leave the States without knowing whether to report back to IO Branch or Western Europe Division (WE) at Headquarters. Braden pushed the issue of operational control, suggesting that IO Branch be upgraded to a division and authorized to "develop and operate" projects with international organizations. The time had come to fish or cut bait:

Failing orders incorporating something like the above [solution], the IO Branch could, I presume, continue to exercise its present rather haphazard duties of advising area divisions on international organizations whenever such advice is sought. I think there is real doubt whether the Branch should be continued in order to perform these duties.' (S)

A few days later Dulles passed Braden's memo back to Wisner with his own pointed comment: "I am inclined to believe that an Int. Org. [sic] office is desirable and that it should have sufficient authority to act if properly coordinated."⁷ (S)

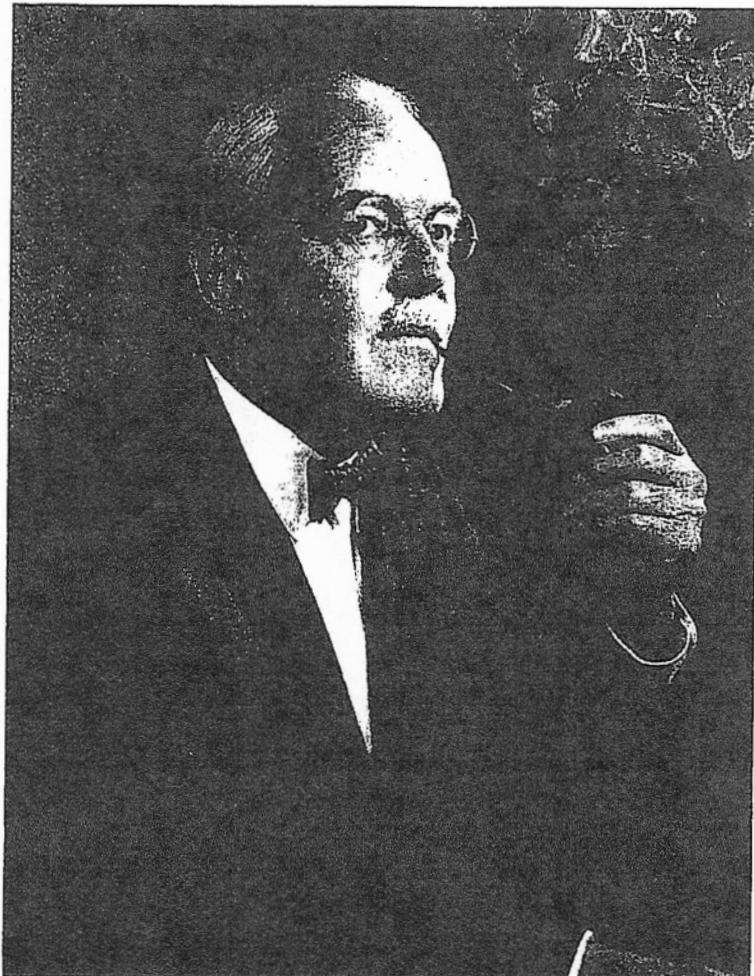
Dulles had intervened not just to help his protege Tom Braden; other divisions had legitimate complaints about the problems involved with coordinating international operations. The Far East Division griped that a WE Division officer, without coordinating his action with FE, had encouraged a [redacted] group to join the Congress for Cultural Freedom. Shortly after that, the chief of the Contract and Coordination Staff urged Braden to consolidate OPC operations with the National Student Association in IO Branch or risk "a chaotic financial, security and control situation."⁸ Braden helpfully attached copies of both complaints to his 20 December memo to Dulles. (S)

⁶Tom Braden to Frank Wisner, Deputy Director for Plans, "Relation of International Organizations Branch to Area Divisions," 26 December 1951, 25X1
[redacted] (S)

⁷Tom Braden to Allen Dulles, Deputy Director for Central Intelligence, "Function of the IO Branch," 20 December 1951, 25X1 (S)

⁸Ibid. (u)

⁹Richard G. Stilwell, Chief, Far East Division, to Tom Braden, "Allocation of Responsibility for Projects re International Organizations," 18 December 1951 (Confidential). Emmett D. Echols, Deputy Comptroller, Office of Finance, "OPC Utilization of the USNSA," 13 December 1951 (Confidential). Both memos are attached to Tom Braden to Allen Dulles, "Function of the IO Branch." (S)



Allen W. Dulles, a firm patron of covert political action. (iv)

Allen Dulles' now explicit support soon helped to resolve matters. ADPC Johnston was frequently away from his office that winter and left many decisions to his deputy, Gerald Miller. Dulles phoned Miller about the dispute soon after New Year's, and Miller replied with a compromise proposal on 21 January 1952. He and Braden had come together and, after "many hours of conference and discussion," had worked out an arrangement. They agreed that IO Branch should have sole control over

labor operations and the "national committees" (NCFE and CFA), but that the Branch should only "maintain CIA influence" over organizations that were clearly international in scope but not manageable by any single area division.¹⁰ (S)

Frank Wisner forwarded the memo to Dulles without taking a position on its content; he apparently decided that discretion was the better part of valor after he surmised that Dulles was going to resolve the dispute personally. On 2 February, Dulles replied to Miller's suggestions (in a memo that Wisner promptly passed to Miller, delegating to the Acting ADPC the authority to deal directly with Dulles on the new matter). Dulles agreed that IO Branch should handle those organizations and activities in the "cultural, youth, student[,] cooperative, veterans and labor fields" deemed "clearly international" in character by the DDP (in consultation with the ADPC). IO Branch would also coordinate all of its outgoing cables through the relevant area divisions. Dulles sent Wisner a second draft of the arrangement on 11 February.¹¹ (S)

One matter remained unsettled. Braden had let his lieutenants Cord Meyer and William Durkee persuade him that the International Organizations Branch had grown so large that it ought to be rechristened as a division. Wisner's staff and division chiefs reacted coolly to this idea. "We got enough bosses now. We got enough people now. We don't want people cutting across area lines. That would be a balls up," Braden recalled them saying at a meeting convened to discuss it. Braden left the meeting furious, marching in to Dulles' office to resign.¹² Once there, however, he learned that Frank Wisner, who was not present at the meeting, had asked Dulles to override the division chiefs and authorize creation of a new division.¹³ The International Organizations Division officially began operations on 10 March 1952. (S)

IO got off to a fast start. Braden finally had the authority and the staff to run the programs professionally and to implement ideas that had languished in OPC safes for the last two years. He also had a big budget. DCI Smith approved expenditures of more than 25X1 [redacted] on IO projects for Fiscal Year 1953. Much of this money went to the "national committees" (NCFE and CFA), but IO budgeted more than 25X1 [redacted]

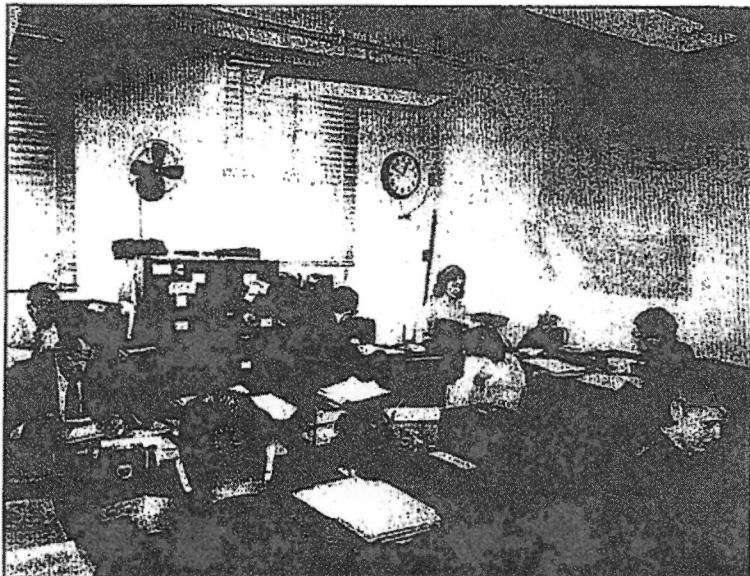
¹⁰The ADPC's memo to Dulles is cited in Crolius; the cover letter is Frank Wisner to Allen Dulles, "Organization and Procedures for Dealing with International Organizations," 24 January 1952, **CIA Statute**

¹¹Allen Dulles to Frank Wisner, "Organization and Procedures for Dealing with International Organizations," drafts dated 2 and 11 February 1952, 25X1 [redacted]

¹²25X1 [redacted] he 11 February draft is in **CIA Statute**

¹³Braden interview, 26 August 1993. (S)

¹⁴Thomas W. Braden, "I'm Glad the CIA is 'Immoral,'" *Saturday Evening Post*, 20 May 1967, p. II. (U)



A typically crowded and busy office in one of OPC's branches. (S)

on its cultural, labor, and "voluntary" projects.¹⁴ IO's staff expanded as well. Within two years of IO's creation, its original three branches had become five: Branch 1, (NCFE); Branch 2, (the Asia Foundation [formerly CFA]); Branch 3, (Organizations); Branch 4, labor; and Branch 5, (the American Committee for Liberation, which ran Radio Liberty).¹⁵ (S)

IO Division also gained an overseas branch 25X1

25X1

25X1

LCPIPIT, the new branch was OPC's response
to management problems encountered by the new Congress for Cultural
Freedom in 1951. 25X1 Michael Josselson had initially
25X1

solved the problem in 1951 by creating a parallel station within the
25X1 to work specifically with international organizations. LCPIPIT

25X1

¹⁴Crolius, "Covert Action in the Cold War," pp. 33-34. (S)

25X1

LCPIPIT 25X1

IO's place in the organizational hierarchy never reflected its full influence and importance in CIA. When OPC merged with the Office of Special Operations in August 1952, IO became part of Frank Wisner's Directorate of Plans and was nominally subordinate to Gerald Miller as Chief of Political and Psychological Warfare; it remained so for two more years, after which it reported directly to the DDP, like the area divisions. Miller also nominally assumed the ADPC's *ex officio* role of deciding which organizations were "clearly international" and thus in IO's bailiwick.¹⁹ Nevertheless, neither he nor Wisner closely supervised Braden's operations. Braden often reported first to Allen Dulles, an arrangement that, Braden later claimed, Wisner never protested.²⁰ (S)

The rationalization of CIA control over international covert projects soon made a difference in the way these operations ran. Braden ensured that his programs had high-level approval. In autumn 1952 his global program won a formal endorsement from the Review Group of President Truman's short-lived Psychological Strategy Board, a predecessor of later interagency covert action authorization committees.²¹ Internal DDP reviews of projects that IO adopted from the area divisions soon began noting that the operations seemed to work more smoothly under IO's management.²² This trend continued and eventually won IO a reputation, even among critics of its operations, as one of the Directorate of Plans' best-run divisions.²³ (S)

25X1

¹⁹Braden interview, 26 August 1993. (S)

25X1

25X1 A cecreant to the Director, to Walter R. Smith "OKOPERA," 14 July 1952.

(S)

25X1
25X1
25X1

Indeed, the year 1952 marked a watershed in the history of CIA's involvement with American voluntary groups, marking the beginning of the steady, professional maintenance of these operations (at least at the division level) that continued for many years. That year's presidential election also brought the end of General Smith's directorship. Under President Eisenhower and his new DCI, Allen Dulles, IO no longer had to coordinate each of its operations with the Department of State (now run by Dulles' brother, John Foster).²¹ (S)

Cord Meyer, Tom Braden's deputy, took over IO when Braden resigned in 1954, but high-level support for IO's program continued. DCI Dulles took a personal interest in IO's activities and in effect made Meyer one of his senior advisers on covert action. Meyer, two years younger than Braden, had followed a similar career path and had gained firsthand knowledge of Communist front-group tactics. Like Braden, he had attended an Ivy League school (Yale), served in World War II (as a Marine lieutenant he lost an eye on Guam), and gone on to become a publicist for liberal international causes (particularly world federalism). Meyer joined the American Veterans Committee in 1946 and helped that organization defeat a Communist effort to infiltrate and co-opt it. After Meyer finished his graduate courses at Harvard in 1951, Allen Dulles offered him a CIA position "at a middle level of executive responsibility." Impressed by Dulles and reassured about CIA by Walter Lippmann, Meyer took the job and joined the International Organizations Branch that October.²² CIA Statute [redacted]

CIA Statute

(U)

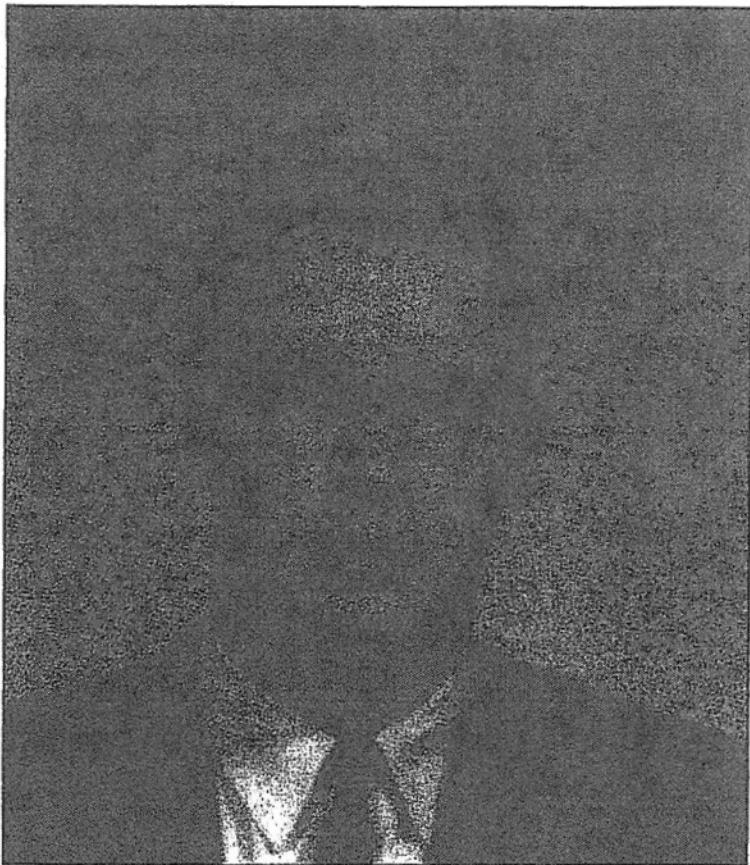
Financing Covert Operations (U)

IO had a cool though necessarily symbiotic relationship with other Directorate of Plans divisions. The creation of IO in 1952 marked the beginning of a lasting rivalry between its operators and other DDP officers. The more conventionally minded officers in the area divisions, many of whom had intelligence experience in OSS [redacted] regarded their IO colleagues as Ivy League aesthetes, and viewed IO's projects as "frippery."²³ IO staffers, for their part, saw themselves as practicing skills of a different and higher order: IO sought to influence events, not just to

²¹Braden interview, 26 August 1993. (S)

²²Cord Meyer, *Facing Reality: From World Federalism to the CIA* (New York: Harper & Row, 1980), pp. 50-65. (U)

²³For a traditionalist view of the IO-area divisions rivalry, see Joseph B. Smith, *Portrait of a Cold Warrior* (New York: G.P. Putnam's Sons, 1976), pp. 162-164, 206. (U)



*Cord Meyer, Jr. headed the International Organizations Division
and later the Covert Action Staff. (U)*

"report" them. In some projects, such as the operation involving the National Student Association, IO managers and case officers seemed to feel that, although they cooperated with other CIA components for mutually desired purposes, they were outside the Agency's mainstream.²⁶ (U)

25X1

IO's psychological and political warfare operations depended almost from the beginning on a complicated network of agents and proprietary organizations that passed CIA money to intended recipients and ensured that the money went for approved purposes. The Agency (mainly through
25X1 [redacted] secretly constructed this network in the early 1950s
25X1 [redacted]

drawing on the ties of friendship and collegiality that linked CIA's principals to wealthy, philanthropic, and politically moderate northeastern families and businessmen. Cooperation 25X1 [redacted] had to be close, but it naturally produced a certain amount of friction
25X1 [redacted]

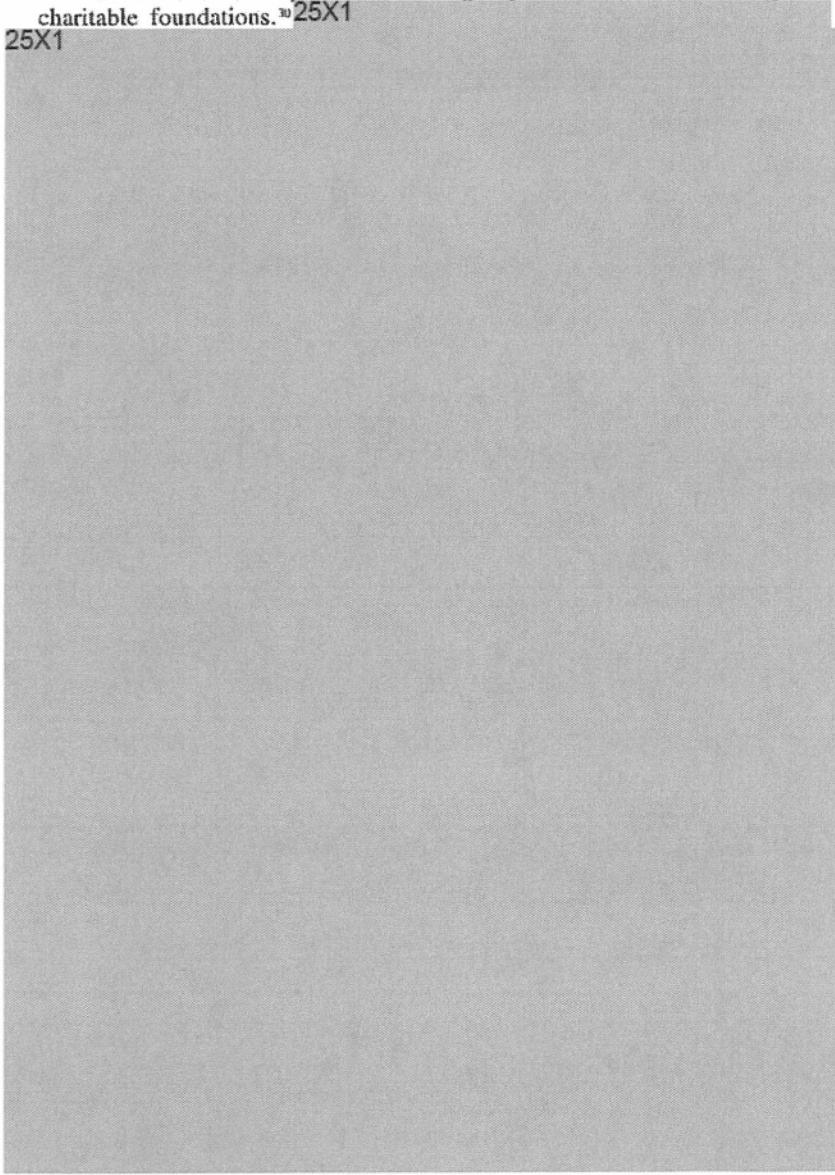
In consequence, the CIA's funding network retained a particular vulnerability to legal and political changes affecting the foundation community at large—a weakness that could have been fixed only through painstaking cooperation among the Agency offices involved. (e)

OPC's earliest covert subsidy operations relied on allied private organizations 25X1 [redacted]
25X1 [redacted]

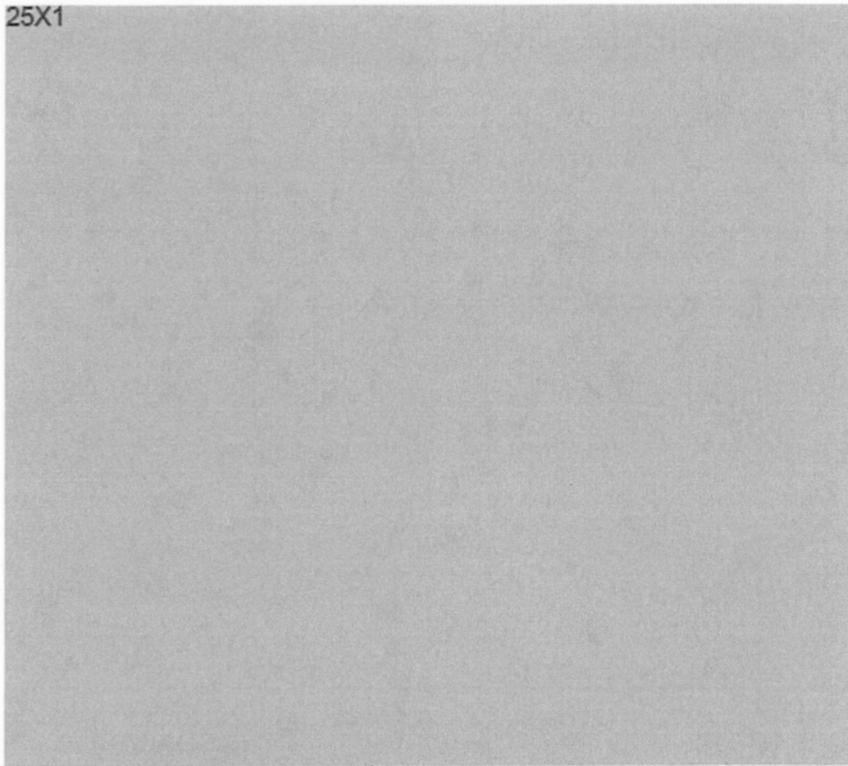
Sometimes the case officer or agent in the field simply handed over the money with the explanation that it had come from a fictitious "anonymous donor." These ad hoc arrangements quickly proved untenable, however, because the sums involved were often too large to explain away as the beneficence of any single individual. Most CIA client organizations needed attributable and plausible sources for their funding. (e)
25X1 [redacted]

Faced with these problems, the Agency created its own dummy
charitable foundations.^b ~~25X1~~

25X1



25X1



Looked at in one way, IO Division had willy-nilly become one of the world's largest grant-making institutions. By the mid-1960s, the magnitude of the CIA's involvement in the foundation community was staggering. The Final Report of the Church Committee in 1976 placed this intrusion in perspective:

Excluding grants from the "Big Three"—Ford, Rockefeller, and Carnegie—of the 700 grants over \$10,000 given by 164 other foundations during the period 1963-1966, at least 108 involved partial or complete CIA funding. More importantly, CIA funding was involved in *nearly half* the grants the non—"Big Three" foundations made during this period in the field of international activities [emphasis in original].*

25X1

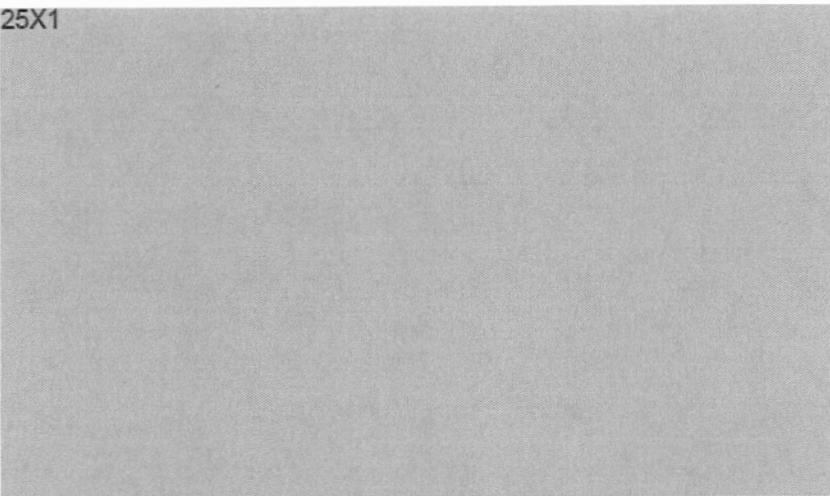
*Senate Select Committee to Study Governmental Operations with respect to Intelligence Activities, "Final Report: Foreign and Military Intelligence, Book I," 94th Congress, 2d Session, 1976, p. 182. (U)

The CIA had come to play such a large role in the nation's foundation community that Agency officials, even years before the *Ramparts* expose, could not have shut down the covert subsidy effort without causing serious dislocations in an important sector of American society. (U)

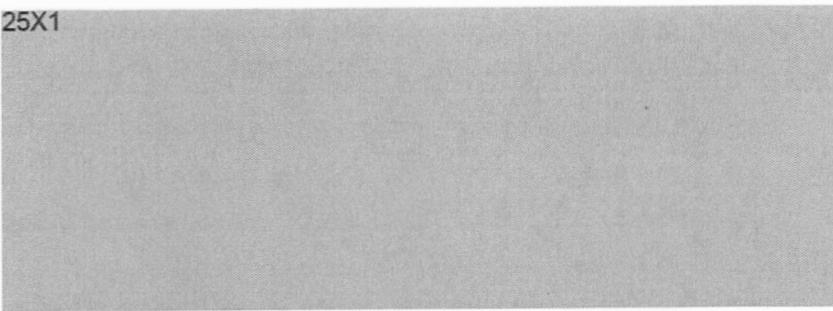
The sheer size of the DDP's funding network increased the incidence of seemingly minor mistakes and disclosures that revealed portions of the Agency's activities. The network's complexity also made it difficult for CIA officials to grasp the nature and scope of its problems, let alone design comprehensive solutions to shore up its security. The year 1957 marked another turning point for the covert subsidy programs, although no one at the time recognized the watershed. (U)

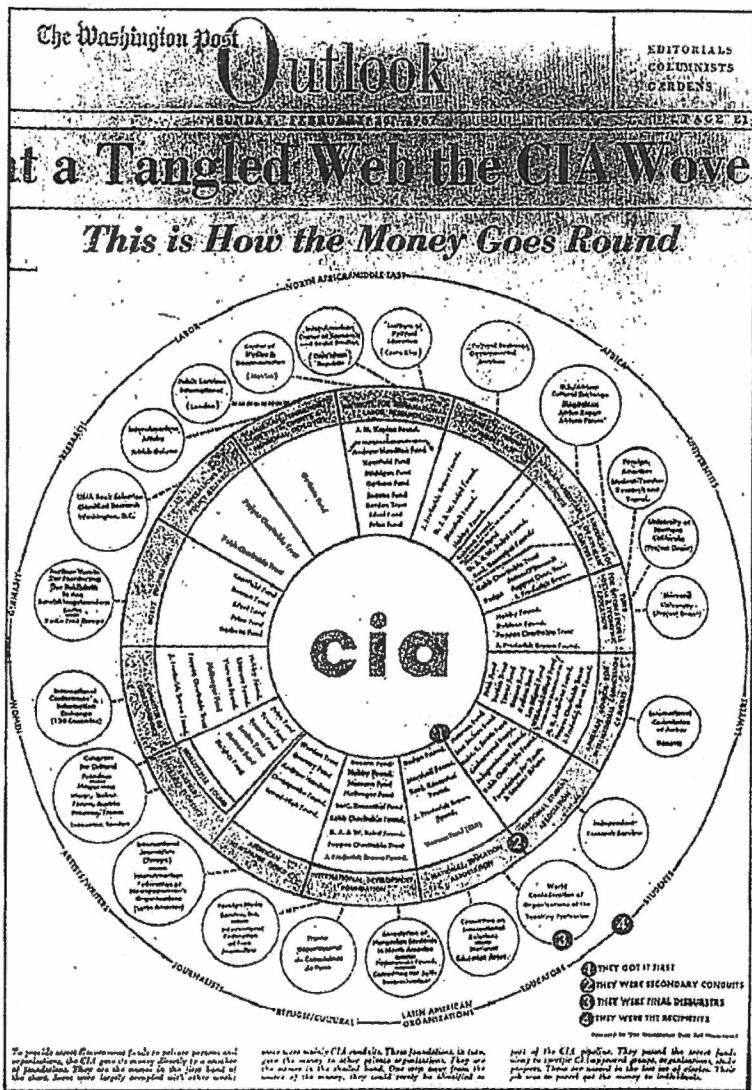
In New York City a new, nonprofit organization, the Foundation Library Center, began amassing information on America's thousands of foundations. The Library had a loose association with New York University but received sustaining grants from the Ford Foundation and the Carnegie Corporation. Its chief executive—longtime foundation officer F. Emerson Andrews—saw the Library as a way to raise the foundation community's collective standards by making it obvious which organizations were real foundations and which were fronts or even tax scams. Andrews and more than a few of his formally unwitting colleagues in the New York foundation community had already divined that the CIA or the "US Government" secretly backed many foundations. Gossip and speculation about CIA covert funding activities would worry Agency officials for years to come.¹⁷ (U)

25X1

25X1

The Internal Revenue Service (IRS) independently took a step in late 1957 that increased the possibility of the breakdown [REDACTED] foretold. Responding to growing Congressional and public concern over unorthodox financial practices by some tax-exempt foundations, the IRS began requiring all tax-exempts to file a detailed form called the 990-A. The first part of the form, for internal IRS use, required charitable foundations to list the source *and amount* of each gift received. The second part—which the IRS made available to the public upon request—required an item-by-item list of the foundation's grants. Typically, the instructions accompanying the revised tax forms proved confusing. Foundation accountants frequently attached both lists, of donors and beneficiaries, to the public part of their returns. IRS clerks often did not catch these errors, according to [REDACTED] and they carelessly filed both sections in publicly available files.⁴¹ Files in IRS district offices soon bulged with data on the activities of many Agency-associated foundations and funding mechanisms.⁴² (U)

25X1



The Washington Post's largely accurate depiction of the CIA covert funding network, February 1967 (u)

25x1

25x1 Ironically, the safest operations turned out to be those that gave hardly a thought to appearances and simply passed cash to individual recipients, leaving them with the task of explaining the money's origin to inquiring friends and colleagues.⁴ (S)

The CIA under Allen Dulles allowed the threat of exposure to grow to unmanageable proportions. By the summer of 1958 the three Agency components most directly responsible for the funding network—IO Division, Central Cover, and the Office of General Counsel—had received warnings from New York and had spotted danger signs. More urgent warnings would come in the early 1960s. Agency officials spent the next eight years worrying about these threats, but trying only sporadically and ineffectively to minimize them. (U)

Responding to the Threat (U)

Responsibility for maintaining the covert funding network's security spread across several Agency components as the network grew in size and complexity. As covert subsidy projects proliferated, so did the needs of the operational divisions to pass ever-larger sums to more clients. And more and more Agency components and officers had to share responsibility for managing the funding network. By the late 1950s, the funding needs of Cord Meyer's International Organizations Division

25X1

alone consumed an enormous share of Central Cover's resources and personnel, to the point where the handful of Central Cover officers assigned to IO's projects devoted most of their energy to routine administrative tasks and had little if any time left for deeper thoughts and new approaches.⁴⁵ 25X1

25X1

25X1

At the time of

Allen Dulles's resignation in 1961, no one office had enough authority to make fundamental changes in the Agency's covert subsidy program, and neither Dulles nor his successor DCIs had the interest or the expertise to intervene until too late. (S)

Top officials in the incoming Kennedy administration quickly grasped CIA's vulnerability to a covert funding disaster. Secretary of State Dean Rusk quizzed Allen Dulles on the subject in an early Special Group meeting. According to the minutes of the meeting:

Mr. Rusk said that he thought that some projects now handled covertly by CIA might well be made overt, 25X1

25X1

for example. He cited his own experience, in saying that the Foundations are sometimes embarrassed when projects they are supporting or would like to support are in fact partially subsidized by CIA. Mr. Dulles said he had discussed this matter generally with Mr. [Elmer B.] Staats of the Bureau of the Budget and was awaiting the latter's reply.⁴⁶

DCI Dulles never gave the Kennedy administration a more substantive answer to this question. (S)

Administration concern over covert funding persisted as officials grasped the issue's complexity and despaired of solving it easily. In April 1961, National Security Memorandum 38 noted a "real hazard": the value of CIA-subsidized anti-Communist organizations was diminishing as their cover grew thinner. NSAM 38 ordered the Bureau of the Budget (BoB) to study the possibilities of new funding arrangements and consider terminating some programs.⁴⁷ Cord Meyer met at least twice with counterparts from the Department of State and BoB to discuss the problem, but little of substance emerged from these sessions.

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⁴⁵ Thomas A. Parrott, National Security Council, memorandum for the record, "Minutes of Special Group Meeting, 2 February 1961," 9 February 1961, 25X1

⁴⁶ McGeorge Bundy, National Security Adviser, to David Bell, Director, Bureau of the Budget, "Questions arising from CIA support of certain activities" (National Security Action Memorandum no. 38), 15 April 1961, 25X1

Meyer's counterpart Philip Coombs, the new Assistant Secretary of State for Educational and Cultural Affairs, told Meyer he feared a breakdown in the covert subsidy program that could result in a "cultural U-2 incident." After Meyer explained the lack of politically and legally acceptable alternatives to covert funding, Coombs admitted the problem was trickier than he had thought.⁶⁸ The study that NSAM 38 called for apparently never materialized.⁶⁸

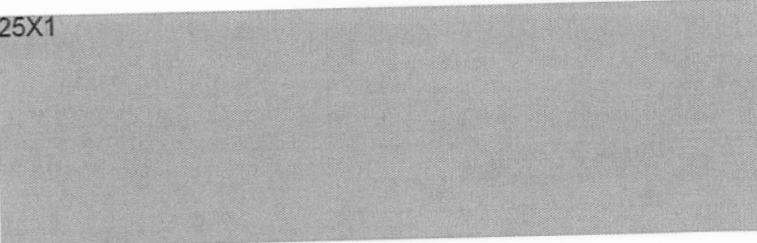
The President and his brother, Attorney General Robert Kennedy, apparently saw no need for reform of CIA covert action programs. Even the Bay of Pigs disaster in April 1961 did not shake the Kennedys' enthusiasm for covert action of all kinds. The Special Group tacitly approved the Agency's global program on 14 February 1961, just a few days after Rusk's complaint to DCI Dulles. The 14 February meeting was actually an orientation briefing for the Group's new members. 25X1

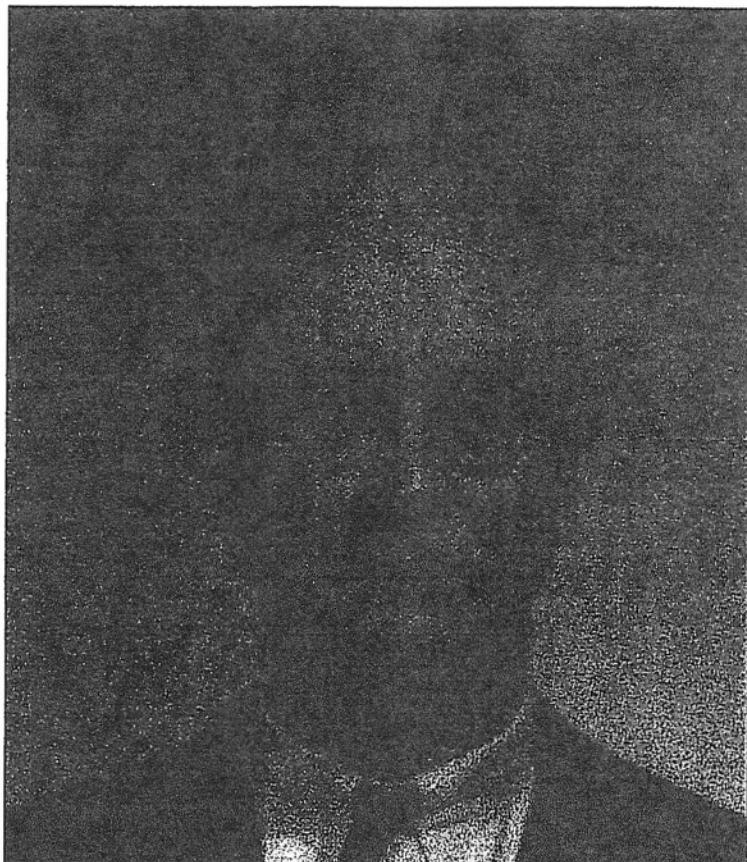
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[redacted] apparently all were mentioned by name. The Special Group conducted a more thorough audit of the CIA's programs on 31 August 1961, but declined to impose serious changes on individual projects or on the scope and emphases of covert action as a whole.⁶⁹ The Group would not examine CIA's commitment to worldwide covert political action again until the Johnson Administration.⁷⁰

The Agency's Office of General Counsel nevertheless grew increasingly worried. In 1962 General Counsel Lawrence Houston prodded [redacted] over the danger that official and journalistic probes of American tax-exempt foundations posed to the Agency's covert funding network. In particular, Congressman Wright Patman (D-TX) had

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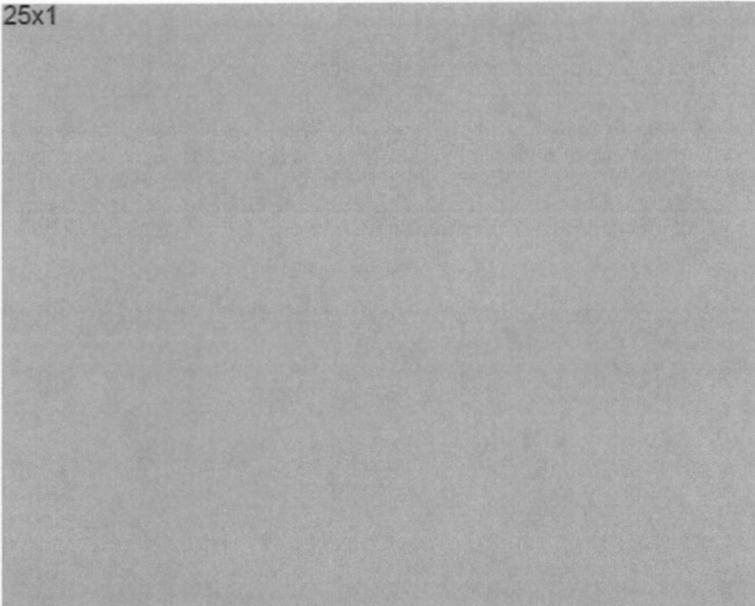
General Counsel Lawrence Houston worried about the security of the funding network. (U)

mounted a campaign to rein in tax-free foundations' daring investment practices. Patman obviously was on the General Counsel's mind, as were quiet warnings from witting Internal Revenue Service (IRS) officials that the increasing computerization of tax records and greater scrutiny by tax

auditors had made it only a matter of time before CIA-initiated funding transactions would be publicly compromised.³⁰ (S)

Houston's worries prompted a series of inter-office communiqus stretching into the autumn of 1963, as Central Cover (CCS) officers tried to placate OGC and keep it out of the day-to-day business of running the Agency's covert funding network.³¹ The debate took much the same path as the one that NSAM 38 had already prompted: vague high-level concerns about covert subsidies encountered on the managerial levels a mix of knowing nonchalance and institutional despair, aggravated by a measure of bureaucratic turf-guarding. OGC proposed several procedural changes and urged CCS to find new funding mechanisms. CCS officials, who appeared to have forgotten about the compromising information in the files of the IRS and the Foundation Library Center, politely but firmly rebuffed Houston's ideas for new procedures and dismissed his concern as exaggerated.³² In particular, CCS argued that the Agency's proprietary funding instruments—only one of several tax-free mechanisms used in the funding network—had not experienced significant problems with the IRS.³³ This rejoinder was reasonably accurate, but it showed no sensitivity to other potential problems already spotted by IO agents and case officers. (S)

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An angry Representative Wright Patman's comments to the press exposed a critical portion of funding network in 1964. *Wide World ©*

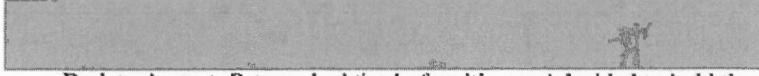
OGC's warnings were prophetic. In August 1964, Representative Patman, chairman of the House Select Committee on Problems of Small Business, became interested in the J.M. Kaplan Fund, a legitimate foundation that had passed money for the CIA. The IRS confidentially informed Patman of Kaplan's CIA ties. Patman also learned that CIA had continued to use Kaplan as a conduit for two years after learning from the IRS that the Fund was under investigation for tax fraud.⁵⁴ On

⁵⁴Morton Mintz, "Hearing Looks Into CIA Role in Tax Probe of Charity Fund," *Washington Post*, 1 September 1964, A13. Jacob Merrill Kaplan, founder of the Fund, had built the Welch Grape Juice fortune. (1)

10 August the Congressman asked the Agency for a briefing on its work with Kaplan. (S)

[REDACTED] visited Patman's office and answered all but one of the questions asked of him, promising to return with more information. Patman never received the details he sought. The Agency's neglect of a powerful Congressman's request seems inexplicable, especially in light of earlier warnings in CIA files. 25x1

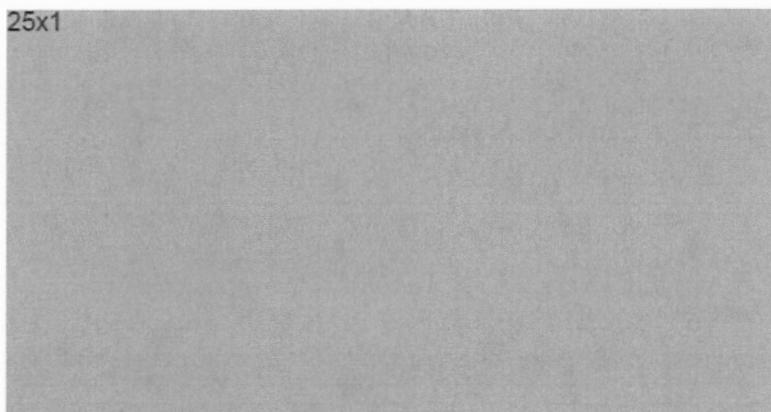
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By late August, Patman had tired of waiting and decided to hold the Agency's feet to the fire. On 31 August he announced in open session that the CIA had employed the J.M. Kaplan Fund as a funding conduit. Even worse, he also revealed eight other funding instruments that had contributed to Kaplan during the crucial period when it passed money for the Agency. Acting DCI Marshall Carter and senior IRS officials quickly prevailed upon Patman to say no more in public about Agency operations, but news services had already picked up the story.⁵⁶ (S)

DCI John A. McCone, just returning from a West Coast vacation, expressed his anger over the leak at his staff meeting on 1 September. The Patman leak may well have been the first occasion on which a Director of Central Intelligence was told that the Agency's covert funding network suffered from serious vulnerabilities.⁵⁷ McCone did not like what he heard. He was particularly irked to learn that DDP officers had seen the danger of an exposure looming three weeks earlier but had not alerted the DCI's office.⁵⁸ A private talk with President Lyndon Johnson later that morning probably did not improve the Director's mood; he told Johnson that Patman had badly damaged the Agency's covert action program.

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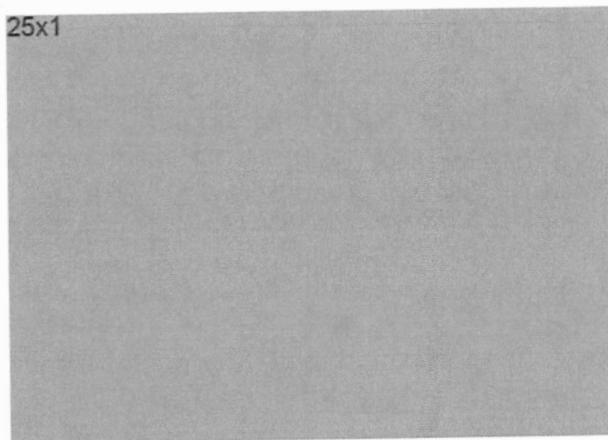
When Johnson asked what the Agency intended to do, McCone said there was little that it could do except keep quiet and develop new methods to fund its clients.¹⁰ (S)

Three days later the *New York Times* added insult to injury. In an editorial that presaged the shift in elite opinion that would one day turn on CIA's covert action mission, the *Times* intoned:

The use of Government intelligence funds to get foundations to underwrite institutions, organizations, magazines and newspapers abroad is a distortion of CIA's mission on [sic] gathering and evaluating information. It means operating behind a mask to introduce governmental direction into cultural and scientific spheres where it does not belong—at least not in a democracy like ours.¹¹ (U)

Efforts To Avert Disaster (U)

An internal probe conducted after the 1967 *Ramparts* revelations concluded that several interrelated operational flaws had simultaneously created the potential for a breakdown while blinding Agency officials to the peril of exposure until too late:



Indeed, most of the damage had been done years before the possibility of disaster suddenly loomed before the Agency in August 1964.¹² (S)

¹⁰John A. McCone, Memorandum for the Record, "Discussion with the President—I September 1964," 2 September 1964, **25X1**

¹¹"Misusing CIA Money," *New York Times*, 4 September 1964. (U)

CIA Statute Causes and Lessons of February 1967 *Ramparts* and Associated Exposures, **CIA**

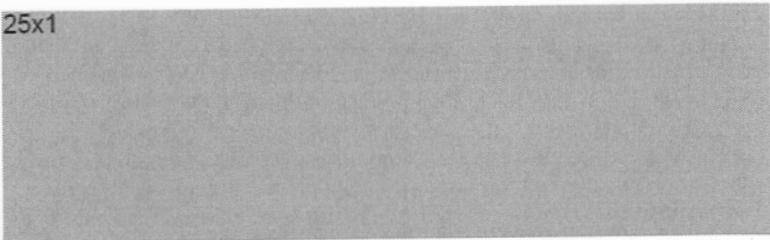
The main problem was that, by the time Allen Dulles retired in 1961, the funding network had grown so large that repairs to make its cover watertight, if still possible at all, would have taken years to implement. Few if any of the Agency's covert clients could maintain their own credibility if they were to operate with no visible means of support, accepting large sums of clandestine CIA money without offering any plausible public explanation for its origin. At the same time, the Agency could not now substitute new, clean proprietary foundations and notional funding instruments because the Patman disclosure had tainted the projects themselves. Even completely new projects would not be able to employ the many agents and organizations that the Agency had painstakingly put in place since the early 1950s. The area divisions and CCS desperately worked to devise new funding methods, but

it rapidly became apparent . . . that the sheer bulk of the funds to be handled and the large size of project budgets were incompatible with acceptable standards of operational security in many cases [where] citeable attribution was deemed necessary. The task had been allowed to become too large.⁶²

-(S)

In September 1964, Agency officials began to patch the damage that Representative Patman's disclosures had done. CCS suspended further use of the "Patman Eight" proprietary funding entities and warned the operating divisions that these in turn had dealt with 25x1 other foundations or funding instruments 25x1 and client organizations.⁶³ The Agency prevailed on Congressman Patman to curb the enthusiasm of committee staffer H.A. Olsher, who wanted to press the Subcommittee's investigation into the activities of the eight funding instruments.⁶⁴ The Internal Revenue Service restricted public access to the files of the J.M. Kaplan Fund and the Patman Eight, and in November the IRS finally instructed field offices to screen incoming foundation returns (before making them publicly available) to ensure that the

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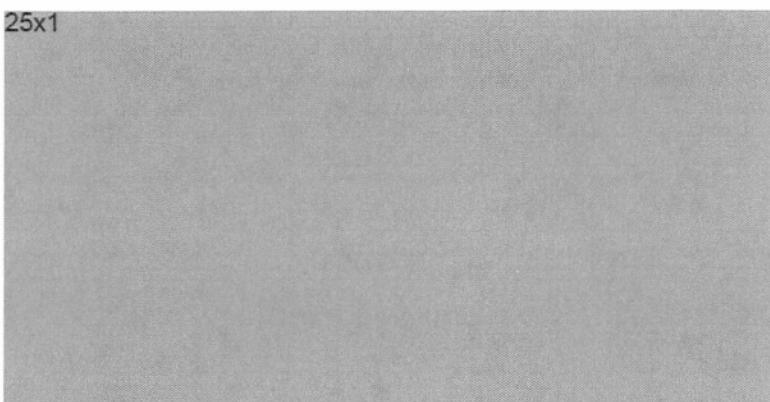


organizations had filed their 990-A forms correctly.⁶¹ A high-level Agency study group, chaired by Cord Meyer, proposed useful procedural changes but still operated under the unspoken assumption that future embarrassing leaks, while inevitable, would dribble out instead of bursting forth in a catastrophic flood.⁶² This assumption would prevail in CIA—and in the Special Group—for almost two more years.⁶³ (S)

CCS officers contacting the legitimate foundations that had passed CIA funds "donated" by the Patman Eight soon discovered more troubles. [25x1] foundations contacted, [] misfiled their IRS Form 990-A[s].⁶⁴ [25X1] had noted the prevalence of such mistakes years earlier, but Cord Meyer's working group did not learn of their full extent until December 1964. A large section of the Agency's covert funding network now lay open to exposure in publicly available files. An updated estimate of the Patman Eight's links in the funding network concluded that [] had received direct support from the eight, while another [] had indirect ties. Central Cover warned DDP operating divisions of the Patman Eight's wide connections, but apparently said little or nothing about the 990-A problem.⁶⁵ (S)

For over a year some DDP officers believed that the threat of exposure stemming from the Patman revelations might somehow pass them by. Cord Meyer assured high-ranking Johnson administration officials that the Agency had the problem well in hand and was busy devising new funding methods to supplement its necessary use of legitimate

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foundations.⁶⁹ Covert Action Staff's [redacted] acknowledged years later that "we could have gotten out sooner," but he noted:

There was much talk amongst us case officers . . . [about] how could we get out of this gracefully. But we didn't want to get out of it because we loved what we were doing, and we believed in what we were doing. But we also knew that we were treading on thinner and thinner ice.⁷⁰ {S}

Meyer's Covert Action Staff (CA) had not been neglecting the problem since the Patman revelations. Indeed, CA had a mandate from then-DDP Richard Helms to impose tighter controls and accountability on the sprawling covert action network. In mid-1962 Helms had directed that CA create a Plans and Evaluation Group (PEG) to survey all covert action, amass central files on projects, and recommend improvements to both operations and overall procedures. Under the able leadership of Paul B. Henze, CA/PEG had provided much of the data and analysis used by Agency principals in their response to the Patman leak. PEG would continue to analyze the deteriorating situation and to brief senior officers through the *Ramparts* flap of 1967. Nevertheless, the compartmentation of knowledge in the DDP meant that neither PEG nor CCS would understand the extent of the Agency's vulnerability until it was too late to fix. {S}

In October 1965 a new alarm sounded. Agency officials heard rumors that David Wise, the muckraking author of *The Invisible Government*, was writing a new and even more troubling book about the Agency's use of legitimate foundations. Richard Helms (who had become DDCI in April) conferred with the White House about finding some way to "head off" the Wise book but soon dropped the idea as impractical and potentially embarrassing.⁷¹ {S}

More bad news arrived a few weeks later. In November 1965, a Central Cover representative visited the 25x1 [redacted]

[redacted] and found the Patman Eight and other CIA proprietaries mentioned in the misfiled 990-A forms 25x1 [redacted]. The funding instruments contributed amounts to the foundations that matched grants [redacted] suggesting to potential sleuths that someone was using the foundations as conduits. A CCS check of IRS records the

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As it developed, David Wise and Thomas B. Ross' new book, *The Espionage Establishment*, was not published until after the *Ramparts* flap in 1967. {S}



Paul B. Henze of Covert Action Staff studied the funding network's vulnerabilities. (6)

following month showed that 25x1 [REDACTED] had incorrectly filed their 990-A forms, listing reimbursements from CIA funding instruments (IRS officials promised to "clean up" these and other files before making them again available to the public). As a result of this research, the DDP suspended operational use [REDACTED]

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25x1 out of concern that they were tainted by their association with the Patman Eight.²¹ (S)

Central Cover had barely kept [REDACTED] apprised of its investigations, a lapse that helped to lull [REDACTED] and leaders into a false sense of security. In any event, the rumors about David Wise's new book finally awakened the Covert Action Staff, and prompted it to conduct its first comprehensive analysis of the funding cover arrangements for its projects. In December 1965, CA determined that 25x1 25x1 projects were vulnerable (the *Ramparts* flap later exposed 25x1 25x1). At the request of DDP Desmond Fitzgerald, CA then examined the operations of other divisions as well. Five months later, CA concluded that a combination of "the helter-skelter methods" and "pathetically meager resources" applied by Central Cover had imperiled 25x1 projects." Although this was the most thorough investigation to date, subsequent events would prove even this survey to have underestimated the extent of the "contamination" problem.²⁴ (S)

The CA Staff report sat on DCI William Raborn's desk until articles in the *New York Times* and the *Nation* magazine alerted all levels of the Agency that the threat of a massive exposure was intensifying. 25x1

25x1 A few days later the *Nation* confirmed that determined, partisan investigators, following the leads provided by Congressman Patman, were gradually uncovering the covert funding network. The *Nation* article, written by Robert G. Sherrill, relied on the sleuthing of Group Research, Inc., a Washington-based organization that, [REDACTED] was sponsored by the United Auto Workers leaders Walter and Victor Reuther as part of an effort to counter what they feared was the growing influence of conservative and right-wing foundations.²⁵ The Agency soon learned that Group Research had asked

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"Robert G. Sherrill, "The Benevolent CIA," *Nation*, 9 May 1966, p. 542. 25x1

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to inspect IRS files on a number of CIA-related organizations.⁷⁶ Group Research conducted its investigation in conjunction with a similar effort sponsored by the Institute for Policy Studies, a progressive Washington, DC, think tank with links to *Ramparts*.⁷⁷ (C)

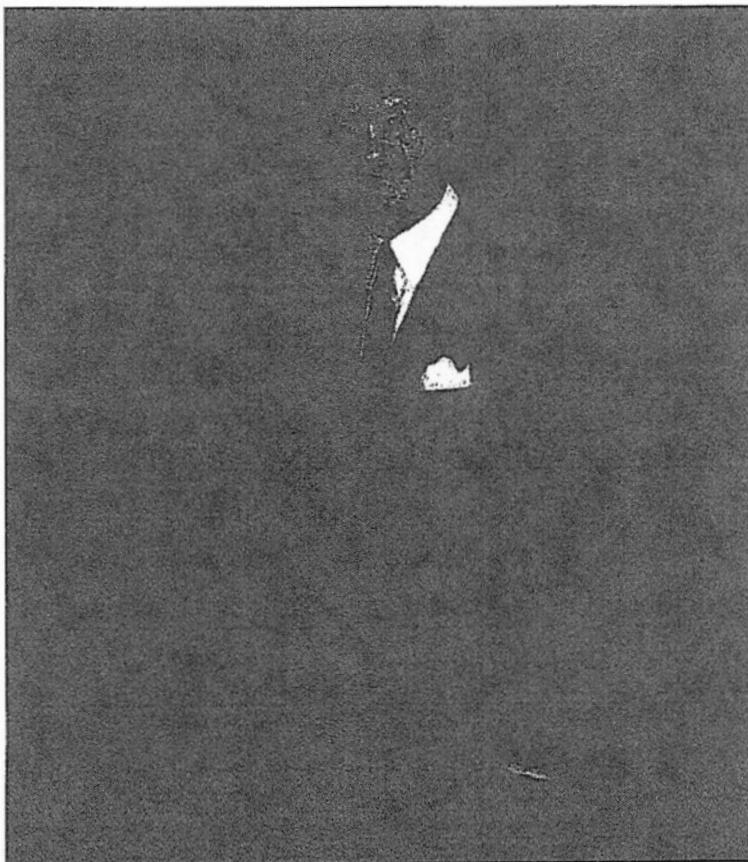
Ramparts later explained how its investigators pieced together an outline of CIA's funding network. At some point in 1966, its editors learned (presumably from Group Research or the *New York Times*) that four of the Patman Eight had passed money to a pair of charitable foundations in Boston: the Independence and J. Frederick Brown Foundations. These groups used the same address, and both had made grants to the National Student Association and the American Friends of the Middle East. *Ramparts'* editors also remembered that Robert Sherrill's *Nation* article had suggested that AFME took CIA money. Its young reporters kept digging, even though no one in any of the foundations in question would talk to them. *Ramparts* somehow learned that the Sidney and Esther Rabb Charitable Foundation had given NSA \$6,000 to retire an outstanding debt in 1964. In that same year the Rabb Foundation received \$6,000 from the Price Fund of New York—one of the CIA-affiliated funding instruments exposed by Representative Patman. This coincidence was made even more interesting by the fact that Rabb had matched its gifts from Price and other suspicious organizations with large grants to other American anti-Communist groups. For instance, Rabb had received \$15,000 from the Independence Foundation and shortly thereafter passed an equal sum to the Farfield Foundation, the patron of the Congress for Cultural Freedom—another group rumored to have CIA ties. The large matching gifts and grants provided the key, allowing *Ramparts'* reporters to follow the subsidy trail from the Agency's clients all the way back to a shadowy group of paper foundations run from law offices that presumably received payments directly from the CIA.⁷⁸ (U)

In mid-1966, the CIA's defensive measures finally shifted into high gear. That May, Desmond FitzGerald and Cord Meyer discussed the problem with White House aides, but no solutions emerged. FitzGerald established a team [redacted]

[redacted] This team, headed by Paul Henze of CA, included representatives of the Inspector General's office, the Office of General Counsel, and the relevant DDP offices. Meeting through August, [redacted] used its authority to implement various improvements suggested over the last

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⁷⁶Sol Stern, "NSA: A Short Account of the International Student Politics & the Cold War with Particular Reference to the NSA, CIA, Etc." *Ramparts*, March 1967, pp. 31–33. (U)



DCI Richard M. Helms. (u)

two years, although it had no hope of undoing the damage done by the Patman disclosures and the misfiled 990-A forms."¹¹ "My God, it's really this bad, you say?" asked DCI Richard Helms when Henze briefed him on the [redacted] findings. "Yes. It is," replied Henze.¹² (S)

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Shortly before it went out of business, [REDACTED] commissioned a study that would provide the clearest possible warning of what lay ahead. Up to this point neither the Agency nor its critics had appreciated the importance of the information gradually accumulating in the [REDACTED]
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Not surprisingly, CIA-origin grants tended to be conspicuously large and heavily concentrated in the relatively minor "international activities" field, which made them easy to spot. [REDACTED] 25x1 the significance of this problem in [REDACTED] 10 October 1966 report to Paul Henze. [REDACTED] words could hardly have been more ominous, or prophetic:

1. Unless the law of averages ceases to operate . . . the Agency may face the embarrassment of being publicly confronted in the near future with most of the past history of covert funding involving legitimate foundations.

2. There is far more on the public record compromising Agency operations than generally realized, it is far more easily accessible than previously assumed, and far far [sic] more damning than earlier studies indicate . . .

3. For the next two or possibly three more years, with luck, we may be apprehensively "waiting for the other shoe to drop."

4. It could drop next week, or next month . . . There is very little practically that can be done to soften the blow, and very little hope for its blunting except the passing of time. We should be prepared for the eventuality that fall it will unless the incredible good fortune, which has so far averted a full disclosure of Agency funding operations through foundations, continues to favor us.

CIA [REDACTED] demonstrated how recent 25x1 [REDACTED] contained enough data to expose approximately 25x1 [REDACTED] using 25x1 [REDACTED] Agency funds a year. Because of the unique funding pattern used by the Agency, every grant led to every other. As of August 1966, no major Clandestine Services project [REDACTED] [REDACTED] was safe from exposure.^{**} (S)

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Despite this conclusion, CIA did not expect a dam-break, and did not tell Congress or the President's Foreign Intelligence Advisory Board (PFIAB) that such a disaster was possible and growing ever more likely. Indeed, the DCI's Annual Report to PFIAB, dated 30 September 1966, noted in its "Problems and Deficiencies" section: "There continues to be need for increased developmental activity [redacted]"

[redacted] This was the only problem that the Agency noted in the area of covert action.²¹ (S)

Conclusion (U)

The dam-break in February 1967 resulted from a perennial Agency weakness in the Cold War era—an early unwillingness and later inability to redress chronic problems that were serious enough to involve more than one directorate but not urgent enough to force the DCI's personal intervention. Specifically, the Agency's management of its domestic covert subsidy program suffered from an unintended side effect of Allen Dulles' enthusiasm for covert political action and his willingness to overlook problems that such operations encountered. Dulles sponsored the program but rarely bothered himself with its details; his benevolent neglect allowed the funding network to grow beyond the bounds of operational security. (U)

Without Dulles' intervention on behalf of his protege Tom Braden, there quite possibly never would have been an International Organizations Division. The area divisions strongly opposed its creation, and DDP Frank Wisner seemed inclined to respect their advice. Although IO functioned efficiently under Braden and his successor, Cord Meyer, Dulles's patronage enhanced its bureaucratic status and helped to keep its budget growing to proportions that eventually placed an intolerable strain on Agency support offices. By the time Dulles left the Agency in late 1961, IO had earned a reputation for good management that protected its programs and allowed them to live on even after the Division itself merged with the Covert Action Staff. (U)

Although Allen Dulles promoted the Agency's huge covert subsidy programs, he should not bear the sole responsibility for their collapse. DCI John McCone and DDP Richard Helms hardly involved themselves in CIA's internal debates about securing the funding network in the early 1960s. The Patman revelations of 1964 finally alerted senior officials to

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the fragility of this network, but the Agency's damage control efforts still worked with a lack of urgency. Not until summer 1966—two years after the Patman revelations—did any Agency officer attempt to learn the full extent of the danger and predict that the funding network would collapse in a very public and embarrassing fashion. The CIA probably could not have protected some of its more vulnerable clients and agents any better than it did, but DCIs McCone, Raborn, and Helms shared a measure of responsibility for not acting earlier and more decisively to save operations that might have been spared during the *Ramparts* flap in 1967. (U)

The anti-Communist groups and fronts that the Agency subsidized required plausible but secret funding sources. These requirements—plausibility and secrecy—ultimately proved mutually contradictory. In retrospect, what seems most remarkable about the Agency's covert, anti-Communist funding network is not that it collapsed, but that it survived long enough to affect the course of the Cold War. The three case studies that follow examine the ways in which CIA client groups maintained (and ultimately lost) their cover as independent actors, and how they tried to counter the machinations of the Soviet Union. (U)

Chapter Three

The Secret Alliance

The National Student Association (U)

The Central Intelligence Agency's involvement with the National Student Association (NSA) began at the height of the Cold War, when both organizations realized they shared a desire to fight Communist control of Western and Third World student groups. Soon after they began cooperating, the Agency and the Association separately discovered that they could make use of each other to achieve goals that were only indirectly related to fighting Communism. The Agency found NSA to be a useful cover mechanism, a recruiting ground, and a source of operational information. In turn, CIA money heightened NSA's profile among domestic and foreign students—and increased the influence of certain offices and officers within the Association. (U)

Within NSA "a clique developed that was basically using associates . . . for ulterior purposes," noted one Association officer in 1967. The Agency case officers who dealt with this clique came from the same milieu:

These CIA men are not evil. They are quite intelligent, often very liberal. They seemed to believe in and want to do the same things that NSA wanted to do. Moreover, because they were often former officers of NSA, they were considered good friends, whose judgment was trusted, who possessed a monopoly of information regarding the international student movement; discussions with them were often very comfortable, and such pressure as there was, was very subtle.¹

Indeed, a cohesive group of witting student leaders *cum* CIA agents and officers in effect brokered the link between the Agency and the Association. The student members of this group collectively were rather like an elite campus secret society monitored and defended by its distinguished but clandestine alumni. They persuaded both CIA and

¹Richard G. Stearns, "We Were Wrong," *Mademoiselle*, August 1967, p. 351. (U)

NSA to continue the worldwide struggle against Communist domination of the student movement long after the initial alarm over the Soviet-dominated International Union of Students (IUS) had subsided. "People used to joke among themselves, 'who co-opted whom?'" recalled one veteran of both NSA and CIA.² "Actually we thought NSA was running CIA rather than the other way around," an unnamed former Association officer explained.³ The history of the NSA-CIA relationship is a chronicle of how this informal group coalesced, persevered for roughly 15 years, and then in the mid-1960s found it impossible to perpetuate itself.

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Launching HBEPITOME (C)

NSA's August 1951 Congress demonstrated that the organization was moving closer to a consensus on the need to resist Communist inroads in the student world.⁴ Nevertheless, many delegates still opposed the creation of a Western union of students for fear such a polarizing step might alienate students from the nonaligned nations.⁵ NSA President Allard Lowenstein later claimed that his anti-IUS speech in Stockholm in December 1950 had "outraged" NSA's strong left wing, which nominated for NSA president a Swarthmore student opposed to Lowenstein's call for a new international student organization. At the NSA Congress in 1951, Lowenstein thwarted the left by supporting the successful candidacy of his friend and fellow liberal, William T. Dentzer, Jr., who had just graduated from Muskingum College. NSA then elected Dentzer's ally, Avrea Ingram of Harvard, as its new international affairs vice president after the popular choice for that office, Lowenstein's former girlfriend, Helen Jean Rogers, stepped aside. Rogers had just returned from a conference of Latin American students in Rio de Janeiro and impressed the delegates with her "lurid tales of Communist student terror in the streets,"

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¹Stuart H. Loory, "Mystery Death Hides CIA Ties," *Los Angeles Times*, 26 February 1967. (u)

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²Peter T. Jones, *The History of US National Student Association Relations with the International Union of Students, 1945-1956* (Philadelphia: Foreign Policy Research Institute, 1956), pp. 83-84.
(u)

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Lowenstein later remembered.⁶ The 1951 Congress marked the decisive defeat of NSA's left, which would not challenge the Association's dominant liberals again until the 1960s. (11)

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NSA International Commission officers by this time were desperate for funds. Money—or the lack thereof—had long been a concern in the Commission's official correspondence. On almost the same day that

⁶Quoted in David Harris, *Dreams Die Hard* (New York: St. Martin's, 1982), pp. 168-169. (11)

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OPC's Milton Buffington told his superiors that NSA was "not receptive to accepting government subsidy." NSA's International Vice President Herbert Eisenberg informed a friend and former NSA officer "I am going to approach the State Department and see if they can put us in touch with some underwriting in case things get really tough."¹³ Helen Jean Rogers complained to Eisenberg's successor, Avrea Ingram:

I feel terrible about this money thing, Avrea, and if you have any more suggestions I will certainly see them. But no one here [in Washington] has any more ideas. At the Department of State they just sigh and look depressed and say we're wonderful and isn't it too bad, but they just don't know. DRAT IT. After all we went through in Rio and all the progress that has been made, and now for the lack of a few thousand dollars—the whole thing is likely to fall. [Spelling and punctuation in original]¹⁴ (U)

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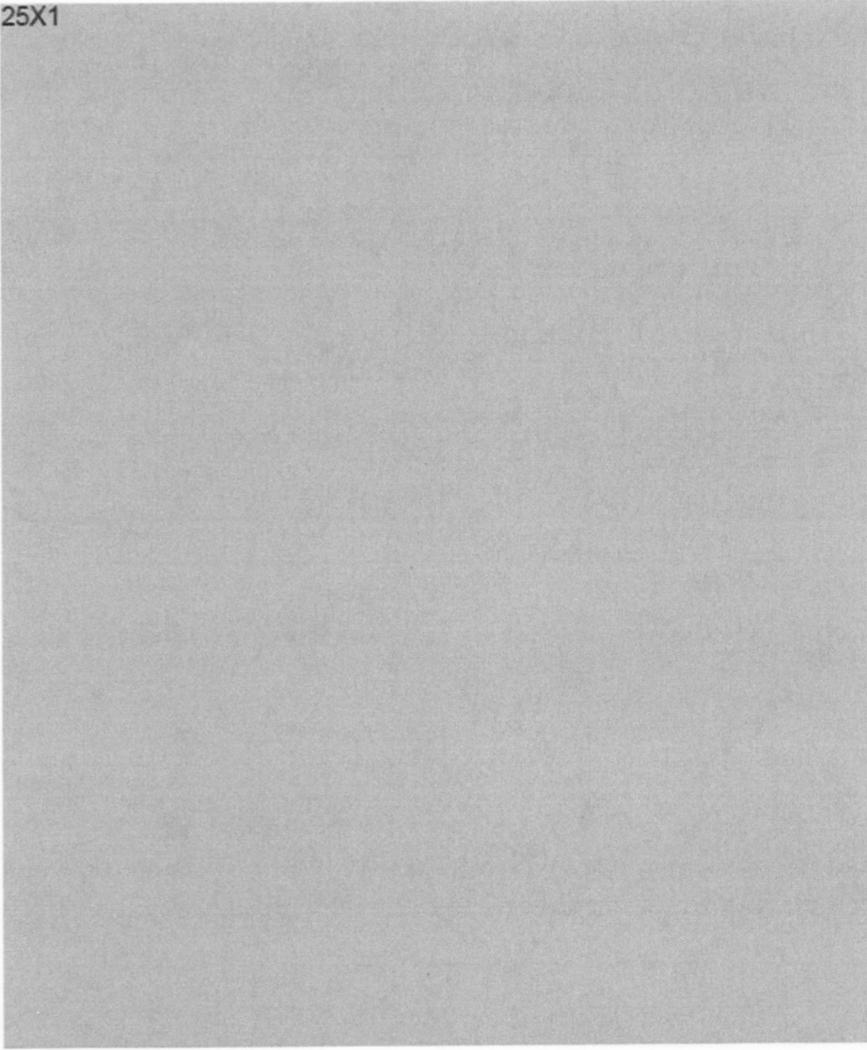
25X1 NSA's Executive Committee rebuffed the International Union of Students' eleventh-hour offer of "cooperation." Dentzer and Ingram, joined and bankrolled by ██████████ then headed for Scotland and the International Student Conference.¹⁵ Representatives of the

¹³Milton Buffington to Lewis Thompson, "United States National Student Association," 17 February 1951, in Warner, *The CIA under Harry Truman*, pp. 383. Herbert Eisenstein to Erskine Childers, 9 February 1951, Hoover Institution, United States National Student Association (International Commission) Papers, box 26, "Erskine Childers" file. (U)

¹⁴Helen Jean Rogers to Avrea Ingram, 25 May 1952, Hoover Institution, United States National Student Association (International Commission) Papers, box 26, "Erskine Childers" file. (U)

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25 national students' unions in attendance in Edinburgh formally rebuffed the IUS, expressing regret that events had made a truly global student community unattainable for at least the time being. They also decided that their coalescing movement needed a permanent administrative body to monitor performance of the tasks that the annual Conferences assigned to member student unions. To this end, the delegates established a Coordinating Secretariat (COSEC), to be based in Leiden, The Netherlands.¹⁵ (c)

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At this point, Braden and Meyer contemplated a long-term and greatly expanded subsidy for the NSA's international activities, but they hesitated to commit themselves to such a step before testing the reliability of the Association's leadership.²⁰ 25X1

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Just after the 1952 NSA Congress—at which the delegates all but ruled out any future dealings with the IUS—25X1

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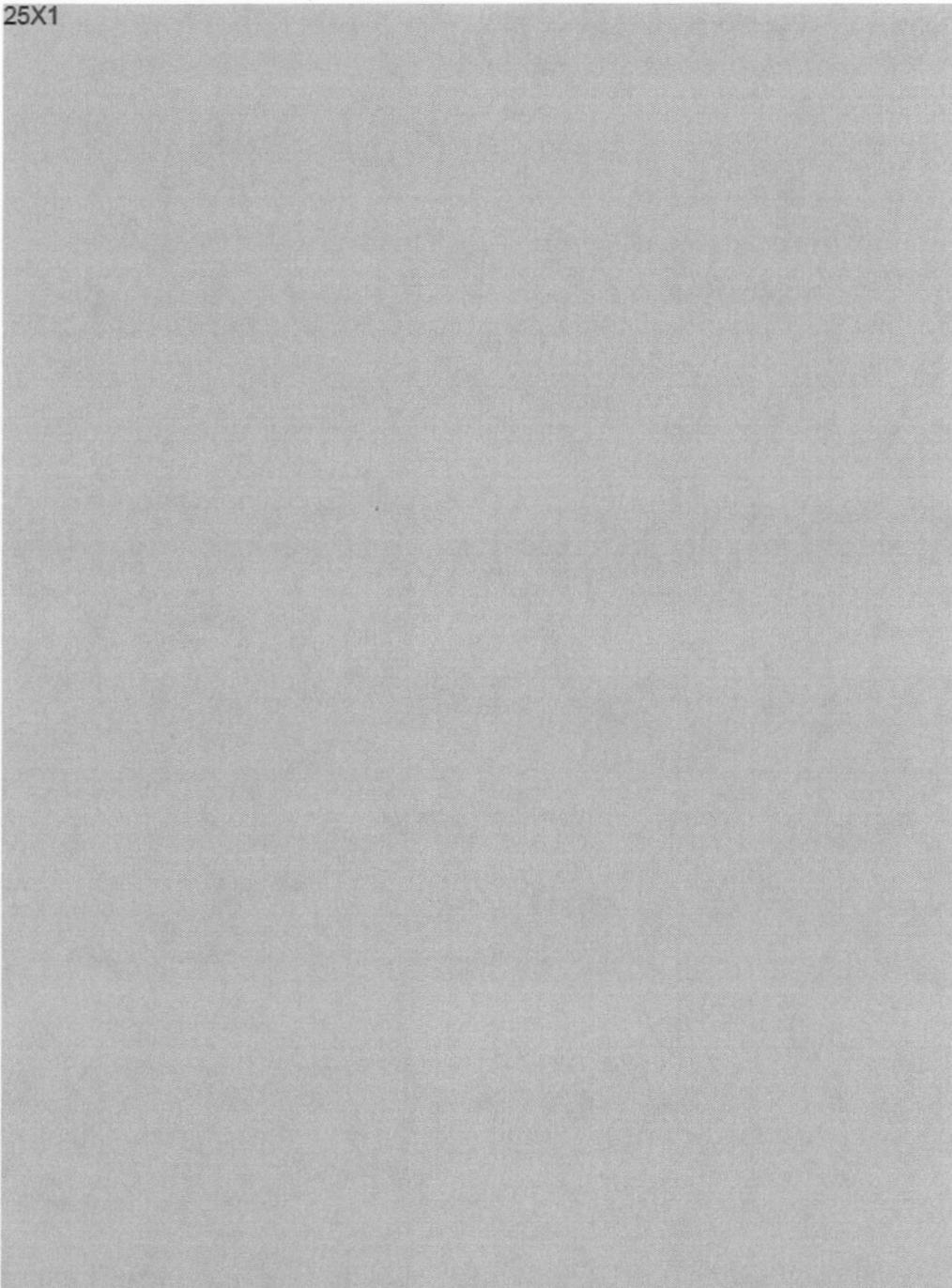
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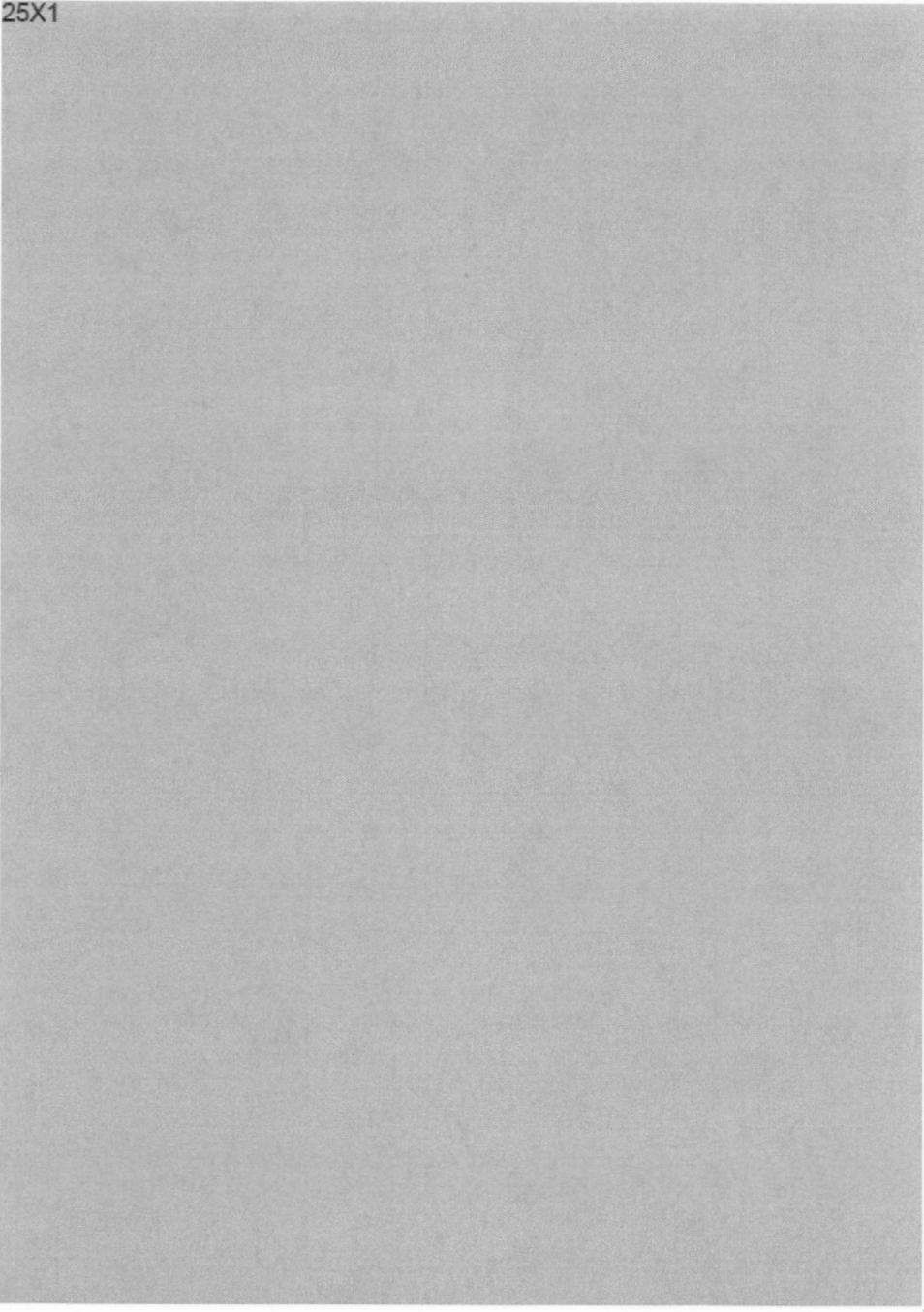
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The US

Congress published the lowest (and perhaps the most accurate) estimate in 1980, guessing that the World Federation of Democratic Youth and the International Union of Students together spent about \$2.5 million a year. This figure may have reflected a fading of Moscow's interest in youth and student organizations.³⁰ (S)

Operations (U)

With IBEPITOME approved, IO had all the pieces of the CIA-NSA relationship set in the patterns they would retain for more than a decade. A nucleus of 25X1

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NSA would carry on the original ideals of the covert partnership. The 1950s and early 1960s saw a rationalization and a growing sophistication in the operational ties between CIA and NSA, as the two organizations covertly explored opportunities and devised new activities. (S)

IO's dealings with the National Student Association comprised only a portion of the much larger IBEPITOME program (which IO consolidated into a single project for administrative purposes in 1957).

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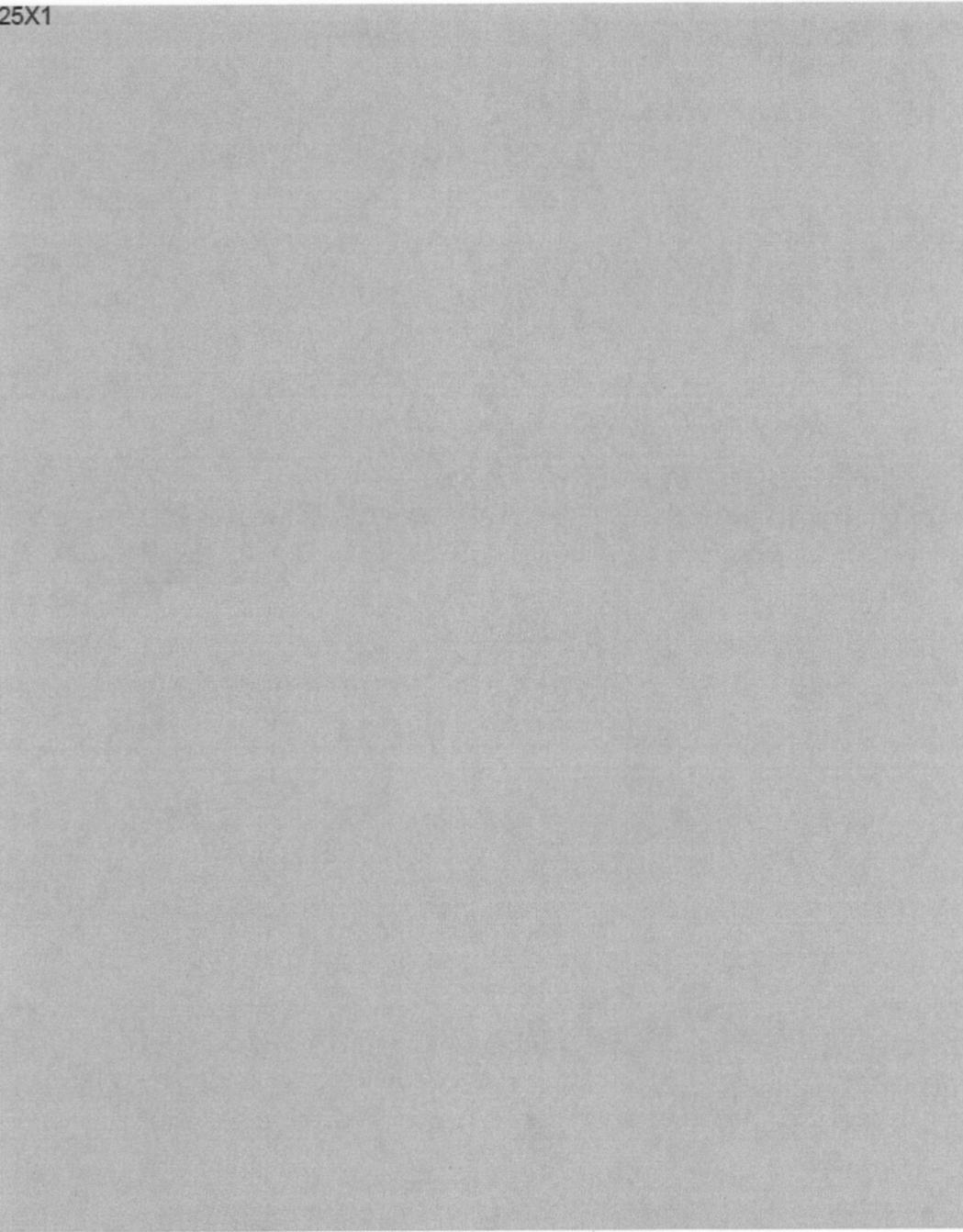
³⁰Clive Rose, *Campaigns Against Western Defence* (London: Macmillan, 1985), p. 292

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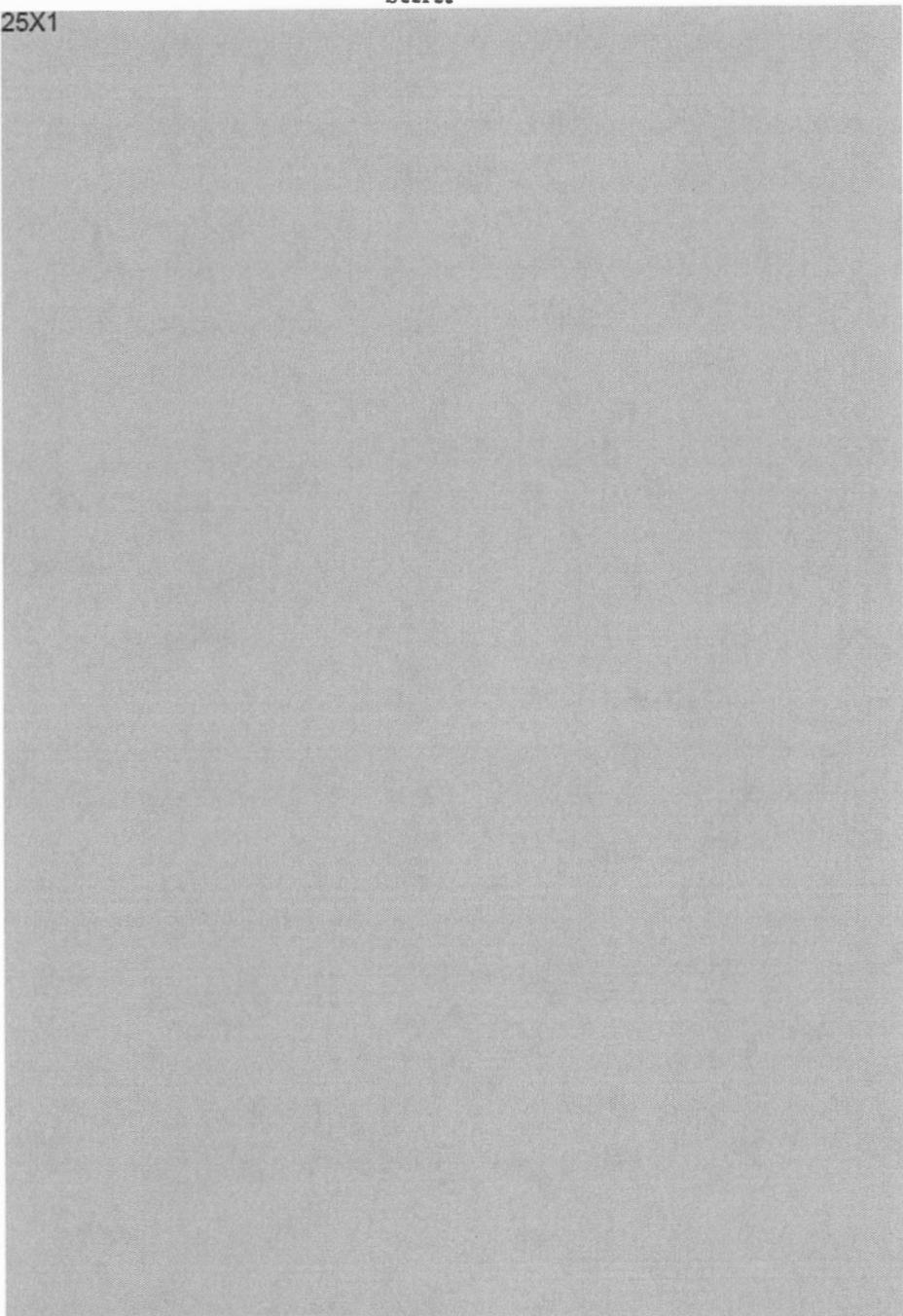
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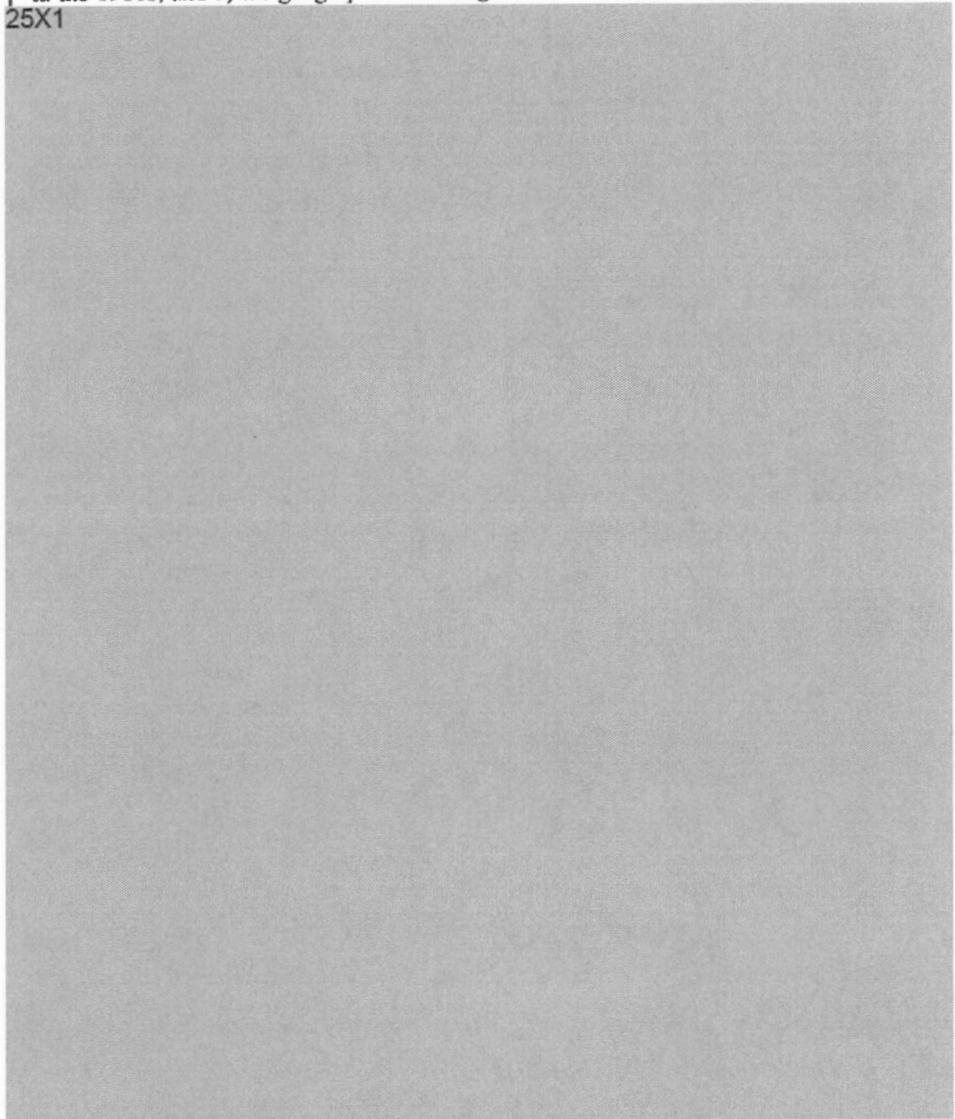
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Operational Accomplishments (U)

Two DDP appraisals reflect the evolution and accomplishments of the HBEPITOME program's use of the National Student Association. The two studies reflect: a) NSA's evolution beyond what in the 1950s were, for the most part, parliamentary victories in international student gatherings, to more concrete achievements in the 1960s; and b) the geographic widening of NSA's interests and impact. (E)

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In addition, [redacted] feared that Communist influence among youth and students would rise again as the Soviets and their allies exploited new tactics and opportunities in the emerging nations. CIA officials could not see how the comparatively amateurish and underfunded Western student organizations, without CIA support, could hope to prevent Moscow from regaining the initiative and eventually dominating international student gatherings. (S)

The International Union of Students soon seemed to confirm CIA fears of Communist organizational adaptability by moving away from the Stalinist rigidity that had alienated many Western and Third World student leaders. In 1955, the same year that Moscow dissolved the Cominform, the IUS secretariat reversed course and began calling for cooperation among all national student unions. Some ISC members, particularly the French, soon realized that they could gain leverage within COSEC and the ISC by endorsing IUS calls for cooperation and joint projects. Even more important, the emerging international debates over colonialism and development began to blur formerly sharp East-West distinctions of the early Cold War and to complicate relations within the ISC. The IUS labeled the United States an imperialist power and publicized complaints by colonial student groups while dismissing the ISC's moderate criticisms of colonialism.⁴ (U)

International Student Conference gatherings themselves became tense during debates over the wording of proposed anti-imperialist resolutions and disputes over the seating of delegations from not-yet-independent colonies. The ISC reached a low point at the 1962 Conference in Quebec. Representatives of 27 Third World student groups stormed out after losing a vote to seat a group of Puerto Rican students as a "national" delegation, and the American delegates braced themselves for the worst after hearing a rumor that the Cubans would soon douse the lights and charge the American table. "That was very scary; they were very tough guys," recalled [redacted] (S)

Throughout these controversies, NSA continued to wield influence in COSEC and the ISC. Unfortunately for the CIA's purposes, the clear objectives of the original HBEPITOME program were no longer directly relevant to the unfolding international situation. With the West European colonial powers on the defensive in the ISC—and the United States itself accused of "imperialism"—NSA could do little to inoculate Third World

⁴Jones, *The History of US National Student Association Relations with the International Union of Students*, pp. 105-109. (U)

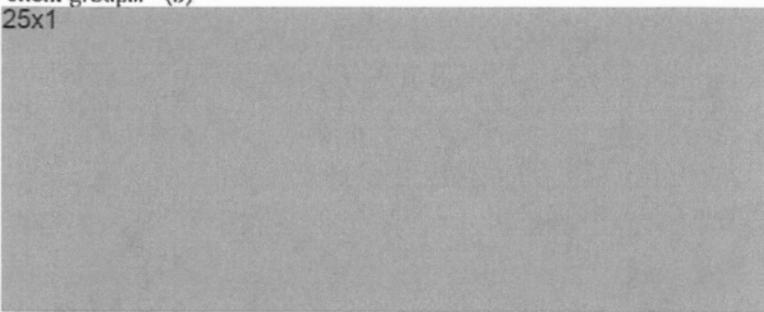
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students against the perceived allure of Communism. NSA's foreign representatives and delegations spent their energy working to moderate Third World sentiments against imperialism and the United States. (S)

Officials in the CIA and the US Government recognized that many young people in the emerging nations of Africa and Asia—perhaps an entire generation of political leaders—might decide that the Soviet Union was their true ally in the struggle against colonialism. Policy support for HBEPITOME's program to combat this threat spanned the executive and legislative branches. In Congress, Senator Richard B. Russell of Georgia—the Senate's dominant figure in intelligence matters—promoted the program.³⁹ Presidents Truman and Eisenhower endorsed it as well. (S)

The election of John F. Kennedy heralded a new emphasis on the US Government's efforts in the youth and student field.⁴⁰ The Kennedy administration saw the eroding situation as a national challenge and enthusiastically rose to meet it. Just days after his inauguration, President Kennedy asked CIA to brief his aide Richard Goodwin on the Agency's activities. The new President's former next-door neighbor, Cord Meyer, went to the White House to lay out the program for an interested Goodwin, who concluded by asking what the President could do to help the effort. Not one to miss a cue, Meyer requested that the White House extend various official courtesies to NSA and the Agency's other client groups.⁴⁰ (S)

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intitled history of the National Student Association

project prepared for Senator Robert Kennedy, 16 February 1967, 25X1

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The Kennedy administration's interest in this arena gave the HBEPITOME program enough institutional momentum to propel it well into its second decade. Attorney General Robert Kennedy paid personal attention to the government's efforts toward youth and students, and in 1962 the administration established the Inter-Departmental Committee for Youth Affairs to coordinate overt and covert programs.⁴⁵ President Kennedy's death in 1963 did not diminish high-level interest in these projects, 25x1

25x1

25x1 * In early 1964 Cord Meyer told his Covert Action Staff that the Agency had received "strong directives from higher authority to expand [covert action] operations" in three fields; one of these was the effort to exploit "the political potential of student and youth groups and to counter Communist manipulation of them."⁴⁶ {S}

Operational Problems (U)

Throughout the long covert partnership with NSA, CIA officers worried about maintaining the fiction that the Association operated without any secret assistance from the US Government. NSA was an independent, private organization, and it had to remain one if it was to have any hope of influencing foreign students with CIA's money and direction.

25X1

Student-run organizations, however, were (and are) notoriously anarchic and underfunded. The relationship between a democratic student organization and a covert action agency thus had to balance the competing demands of credibility and security. The Agency tried to ensure that the security and accounting procedures followed by its NSA agents left them plenty of latitude to conduct themselves like typical student leaders. (U)

NSA's need to maintain its cover as an independent student group became acute in the mid-1950s as the cooperation between the Agency and the Association expanded into a wide variety of events and ongoing activities. CIA funds and guidance enabled NSA to build a large international program in just a few years. NSA posted its student representatives in Asia and Europe, underwrote popular educational travel and exchange programs, flew its officers and delegates to meetings all over the world, and ran a summer seminar for promising American students interested in foreign affairs. These activities constituted the *raison d'être* of CIA's subvention for NSA; they fostered the Association's influence among foreign students 25X1

25X1

(←)

Agents and case officers typically worked closely together to hide the Agency's involvement. Witting NSA officers had to be able to explain why NSA's International Commission operated so differently from the rest of the Association. The Agency's subsidy was small by CIA standards but still represented the bulk of NSA's budget. NSA's international affairs vice president regularly had to explain how an organization of American students had so much money to spend on world travel and overseas representatives, and why the various charitable foundations providing this largess would not also subsidize the Association's domestic programs. Perceptive observers such as those at *Ramparts* magazine eventually noticed that the differences between NSA's national and international activities reflected more than an unequal distribution of its own resources. The Association's International Commission, especially its overseas representatives [redacted] somehow seemed odd to one writer in *Ramparts*:

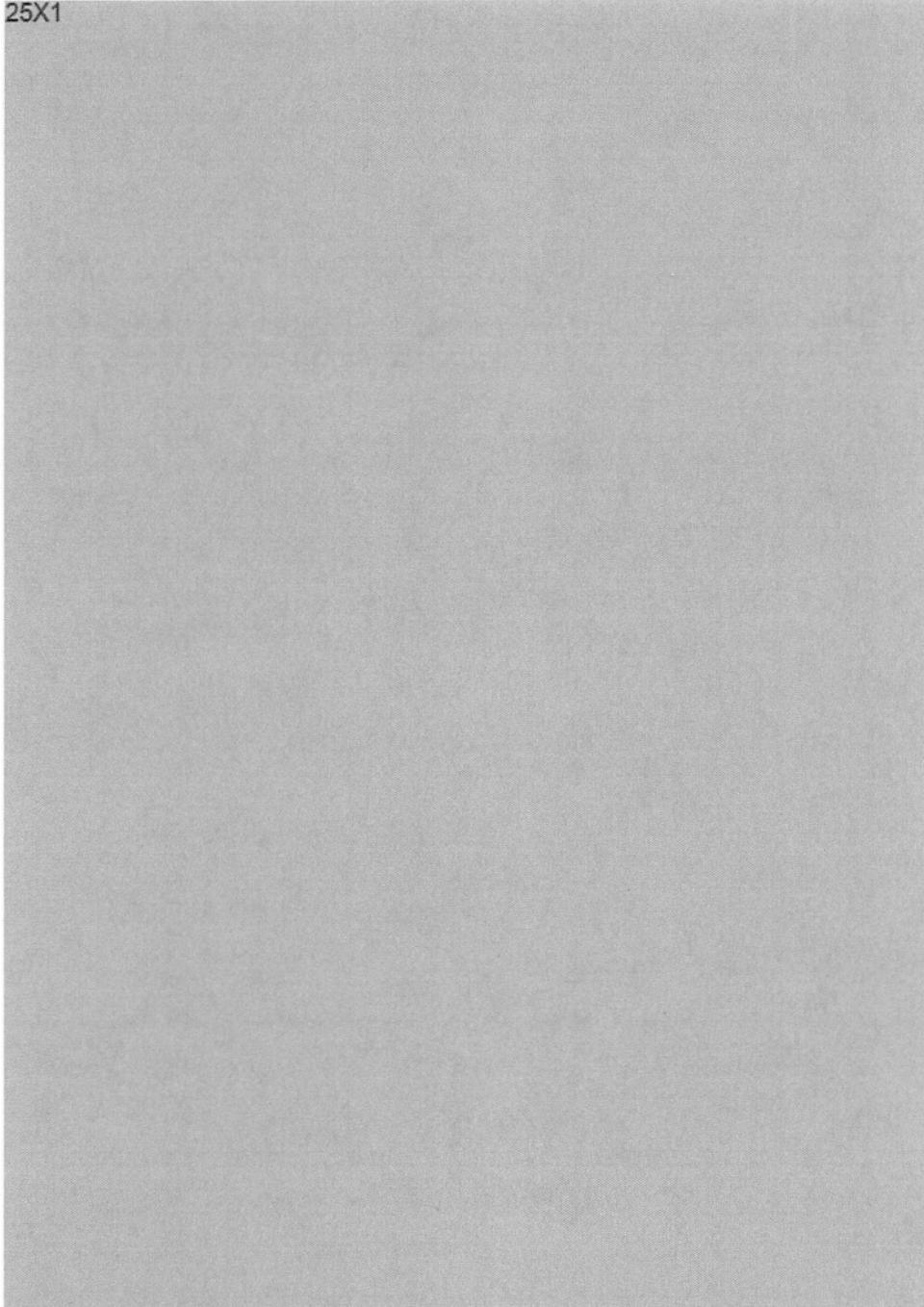
NSA has always shown two faces. Its domestic programs, its Congresses and its regional meetings have always been open and spontaneous . . . Yet NSA's overseas image has been very different. Despite its liberal rhetoric, NSA-ers abroad seemed more like professional diplomats than students; there was something tough and secretive about them that was out of keeping with their openness and spontaneity back home.⁴⁶ (←)

*Sol Stern, "NSA: A Short Account of the International Student Politics & the Cold War with Particular Reference to the NSA, CIA, Etc.," *Ramparts*, March 1967, p. 30. (U)

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Allard K. Lowenstein, former president of the National Student Association and an influential alumnus. (U)

Wide World ©

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OPC's

Milton Buffington probably saved NSA's unwitting President Allard Lowenstein from conscription (and the Korean war) in 1951.⁴⁹ 25X1
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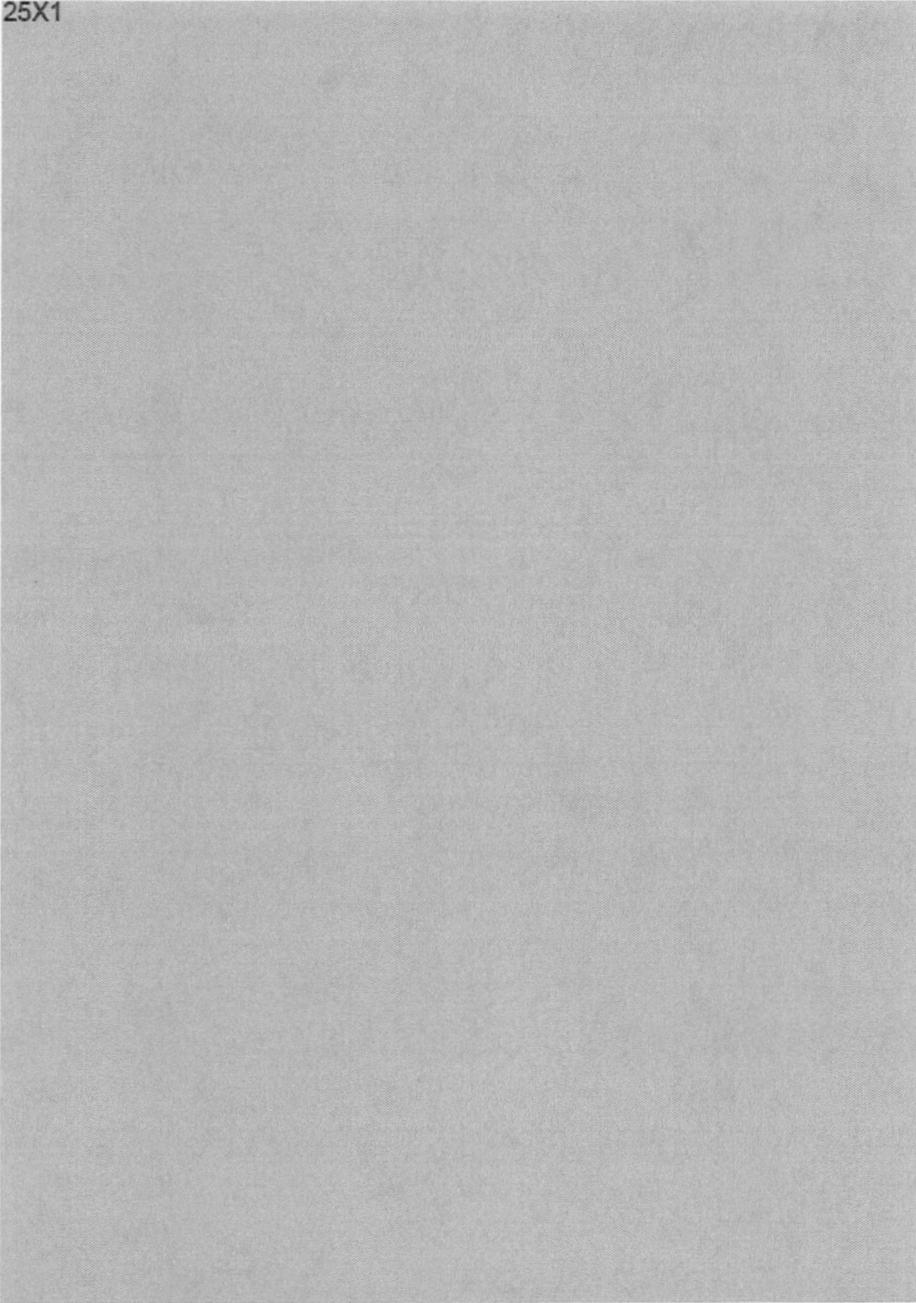
⁴⁹Milton Buffington, Special Projects Division, to Lewis Thompson, Chief, Special Projects Division, "United States National Student Association," 17 February 1951, in Michael Warner, *The CIA under Harry Truman*, p. 383. (U)

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"The student leader of today is the student leader of
tomorrow." (s)

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Politics (U)

The allegations and speculation arising from the *Ramparts* expose in 1967 prompted observers to wonder just how much influence CIA had exerted over NSA's frequent forays into national politics. ^{25X1}

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The CIA monitored NSA political statements primarily to ensure that the Association said nothing that would diminish its influence abroad. This was a difficult task. Rising calls for national liberation in the Third World combined with the more sophisticated approach of the IUS

25X1

after Stalin's death to put enormous strains on COSEC and the International Student Conference by the late 1950s. Many delegations from emerging Third World states urged the ISC to condemn colonialism and take up other issues that NSA (and the CIA) regarded as parochial and potentially divisive. Rumblings against American "imperialism" abroad and racial discrimination at home could be heard in International Student Conferences even in the 1950s.²⁹ The ISC's West European delegates, for their part, objected to criticism from their present and former colonies. (U)

NSA had to walk a fine line between these two blocs. As the most influential member of the ISC, NSA tried to maintain its credibility with Third World students by demonstrating its sympathy for the legitimate and peaceful aspirations of the nonaligned world. Foreign student leaders paid close attention to NSA's domestic political activities as well. NSA had to prove its commitment to civil rights and reform at home as well as abroad. (U)

NSA's officers recognized the new situation and bent over backward to be sympathetic to the concerns of Third World students. The Association consistently applied the formula that its founders had devised in their battles with the IUS in the 1940s—that international student groups should debate political issues only insofar as those issues affected "students as students." The ISC did not always follow the "students as students" formula (and officially dropped it in 1960), but for a decade that rubric gave NSA's delegates the flexibility they needed to act as mediators in many contentious sessions of the International Student Conference. In the contemporary American political context, it stamped NSA as a moderately liberal organization, squarely in the mainstream of American political discourse. Presidents Truman, Eisenhower, Kennedy, and Johnson all considered NSA politically safe and routinely sent greetings and sometimes emissaries to its national Congresses each August. (U)

The CIA rarely intervened in NSA's debates over political issues, participating only on the margins when Agency officers feared the Association could split apart in political disputes or fall into the hands of extremists (of either the left or the right) who would fritter away the goodwill and influence that NSA had painstakingly acquired among foreign student leaders. Over the years CIA case officers contended with

²⁹For instance, the 7th International Student Conference, held in Ibadan, Nigeria, in September 1957, passed a resolution calling for an end to racial discrimination in the United States. (U)

three major developments that threatened the political balance that NSA tried to maintain: the civil rights struggle, the rise of conservatism as a political movement, and the Vietnam War. (U)

Debates over civil rights in the 1950s proved serious enough to jeopardize the Association's very existence. NSA's leaders 25X1

25X1 believed the Association should do what it could to promote an end to segregation on America's college campuses. Officers of the Association supported gradual integration not only for its own sake but also to protect the Association's image among students in the developing world. 25X1 endorsed this conclusion and assisted NSA's efforts to publicize (especially overseas) its support for racial integration at home. 25X1 Helen Jean Rogers of NSA's International Advisory Board gathered the signatures of 20 former NSA officers 25X1 on a lengthy 1956 public letter explaining to foreign students the problem of racism in the United States and listing NSA's efforts to combat it.⁶⁰ The following year, NSA's International Commission mailed another report to its foreign counterparts explaining the national controversy over integration in the schools of Little Rock, Arkansas. The Commission's letter also reminded readers that the latest NSA Congress (in August 1957) had passed a resolution deplored segregation.⁶¹ (S)

The Association's civil rights activities and programs began expanding rapidly in 1960. NSA offered financial and legal aid to black students engaged in lunch counter sit-ins in the South. It also played a role in the formation of the Student Non-Violent Coordinating Committee (SNCC). SNCC, in fact, grew out of an NSA workshop designed to teach political organizing skills to Southern students 25X1

For several years NSA's national affairs vice president held an *ex officio* seat on SNCC's board.⁶² National affairs vice presidents such as Tim Jenkins and Paul Potter worked closely with student activists and radicals, keeping NSA for a time in the vanguard of the civil rights movement.⁶³ For the

⁶⁰ Helen Jean Rogers, et al., "A Letter About Racial Discrimination in the United States and Efforts for its Elimination," April 1956. 25X1

⁶¹ International Commission, National Student Association, "Report on Little Rock," published in late 1957. 25X1

⁶² Steven V. Roberts, "Move to End CIA Tie Held Reflection of New Campus Views," *New York Times*, 16 February 1967, p. 16. Stern, "NSA," p. 30. (U)

⁶³ Tom Hayden, *Reunion: A Memoir* (New York: Random House, 1988), pp. 39, 51, 60. See also Todd Gitlin, *The Sixties: Years of Hope, Days of Rage* (New York: Bantam, 1987), pp. 128, 139. (U)

25X1

NSA's support for integration infuriated some Association members and observers. Student governments at several Southern colleges withdrew from NSA over its stand, particularly after the Association applauded the Supreme Court's *Brown v. Board of Education* decision in 1954. In the late 1950s a few fraternities and sororities campaigned against NSA for endorsing calls for excision of the whites-only clauses still included in the constitutions of certain Greek-letter organizations. Segregationist commentators in the South also attacked NSA, usually accusing it of aiding Communist aims. Typical were charges by J.B. Matthews, who in 1958 accused NSA of fellow traveling; he said that its programs embraced the Communist line on education, and that its adult leaders and advisers showed the "high degree of left-wing and pro-Communist infiltration of the organization" (Rep. John Bell Williams [D-MS] subsequently inserted the Matthews tract in the *Congressional Record*).⁶⁶

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"Congressional Record—House, 14 July 1958, pp. 12517-12519. See also "Student Group is Led by Reds," *The Citizens' Council*, August 1958, p. 1. This segregationist pamphlet was published in Jackson, Mississippi:
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IO's concern intensified after the birth of a conservative youth group, the Young Americans for Freedom (YAF), in 1960. Founded with the guidance and patronage of columnist William F. Buckley, Jr., YAF denounced NSA as the tool of an isolated liberal clique that was soft on Communism.⁶⁴ Harvard student leader Howard Phillips, an NSA member affiliated with YAF, rallied NSA's conservative minority and sparked a contentious but ultimately futile parliamentary assault on the liberal (and witting) Association leadership at the 1961 NSA Congress.⁶⁵ YAF continued its attacks during the following months, mounting a campaign that persuaded student bodies at several more colleges to withdraw from NSA.⁶⁶ (U)

25x1 YAF might do serious damage to NSA. 25x1 in early 1962, noting the growing appeal of conservatism's "pat solutions" among "segments of the American public which have difficulty understanding domestic economic, or international political questions." YAF was making inroads among college students and threatening to coax the student bodies at the Universities of Missouri, Michigan, and Texas to end their NSA affiliations. 25x1 the loss of the latter two schools would be particularly injurious; both had given NSA more than their share of top-notch officers. Beyond that, "disaffiliations at more universities would tend to bring into question USNSA's claim to represent American students and could seriously hamper the USNSA international program."⁶⁷ (S)

⁶⁴William F. Buckley apparently loathed NSA and recognized that its ostensible sponsor, the Foundation for Youth and Student Affairs, was a covert front for the US Government. 25x1
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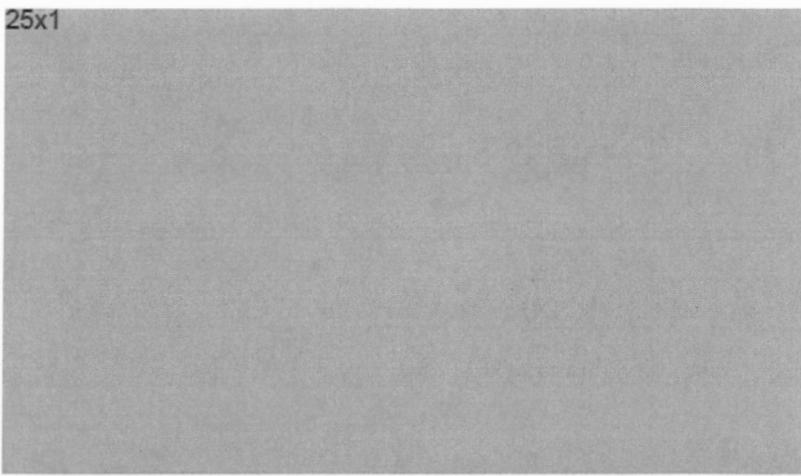
25x1 Buckley did not seem to mind the idea that the US Government was sponsoring youth and student groups as much as he minded the government's choice of groups to support. 25x1
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⁶⁵ YAF's challenge and NSA's response are described in John A. Andrew III, *The Other Side of the Sixties: Young Americans for Freedom and the Rise of Conservative Politics* (New Brunswick: Rutgers University Press, 1997), pp. 91-97. (U)

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NSA's response and YAF's own difficulties, however, soon diminished the threat that [REDACTED]

[REDACTED] NSA's self-described "establishment" took pains to explain its anti-Communist international program to the Association's membership and to ensure that the agenda and procedures at the annual NSA Congress in 1962 were politically balanced and more participatory. These efforts mollified some conservative delegates and diluted the strength of YAF's charges. In any case, NSA's conservatives themselves had already shot their bolt, disrupting the 1961 Congress but also revealing their relative numerical weakness. The conservative revolt against the Association's liberal leadership petered out when Howard Phillips and other conservative leaders moved on after graduation.¹⁴ [REDACTED]

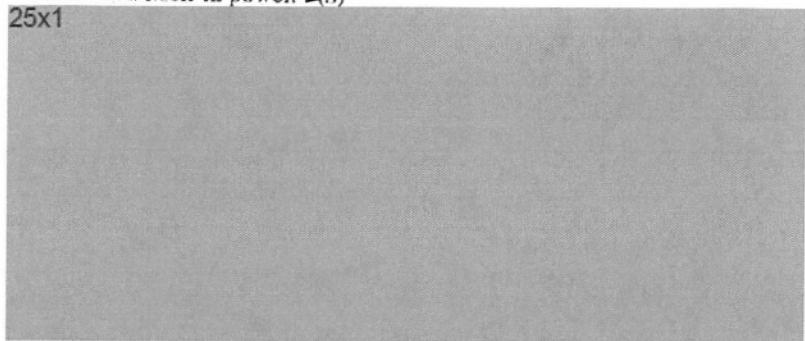
The relative calm of the Association's 1962 Congress soon proved itself but the eye of the hurricane; the winds that had blown from the political right not long afterward shifted to blow from the left. Progressive activists—who were beginning to call themselves the New Left—focused their energies on a small but re-energized group, the Students for a Democratic Society (SDS). "Part of the reason the SDS got formed," recalls [REDACTED], "was that the left made a series of runs at the NSA leadership" but failed to win any offices higher than national affairs vice president. The SDS' Tom Hayden, for instance, lost two NSA elections

¹⁴Ibid., pp. 5–6. (10)

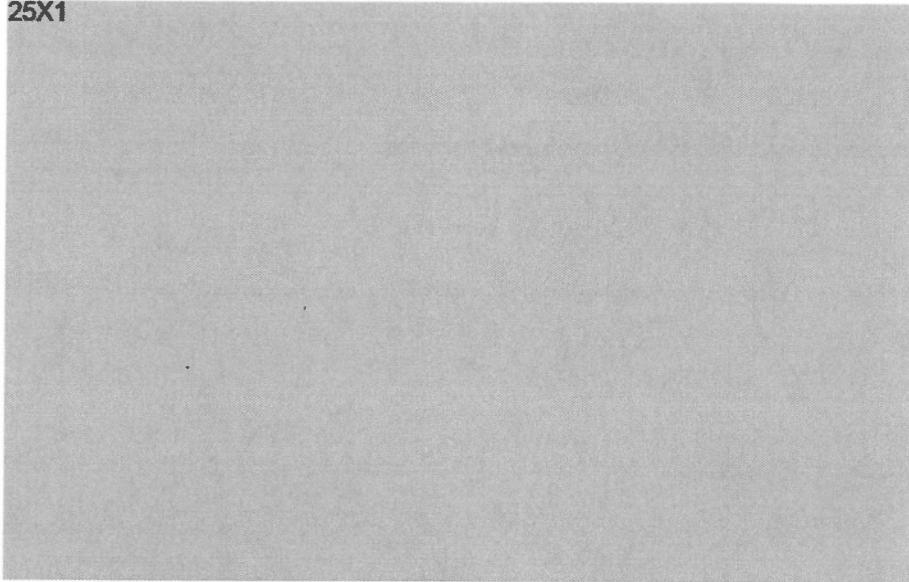
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and did not make the cut for NSA's International Student Relations Seminar [REDACTED].⁷⁵ Frozen out by the liberal NSA "control group," left-leaning activists began organizing on their own—and wondering how the leadership of NSA maintained itself in power.⁷⁶ (S)

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**Growing Mistrust (U)**

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⁷⁵For an SDS view of the struggle, see Hayden, *Reunion*, pp. 35-39, 48-52. (U)

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The International Union of Students faced troubles, too. The IUS had regained some of its popularity in the mid-1950s by appealing to neutralist, Third World students, but deepening intra-Marxist doctrinal disputes divided its leadership in the mid-1960s. The Soviet "control group" almost lost its commanding position to an challenge mounted by an unlikely alliance of Chinese delegates and "rightwing" Communist East Europeans at the 1964 World Student Congress in Sofia.* With both the IUS and the ISC in decline, the ideological threat to American students that had loomed in the 1940s and 1950s now looked increasingly distant, and NSA officers grew increasingly distrustful of the CIA's struggle against Communism.^(S)

NSA's 1963 elections marked a turning point. 25x1

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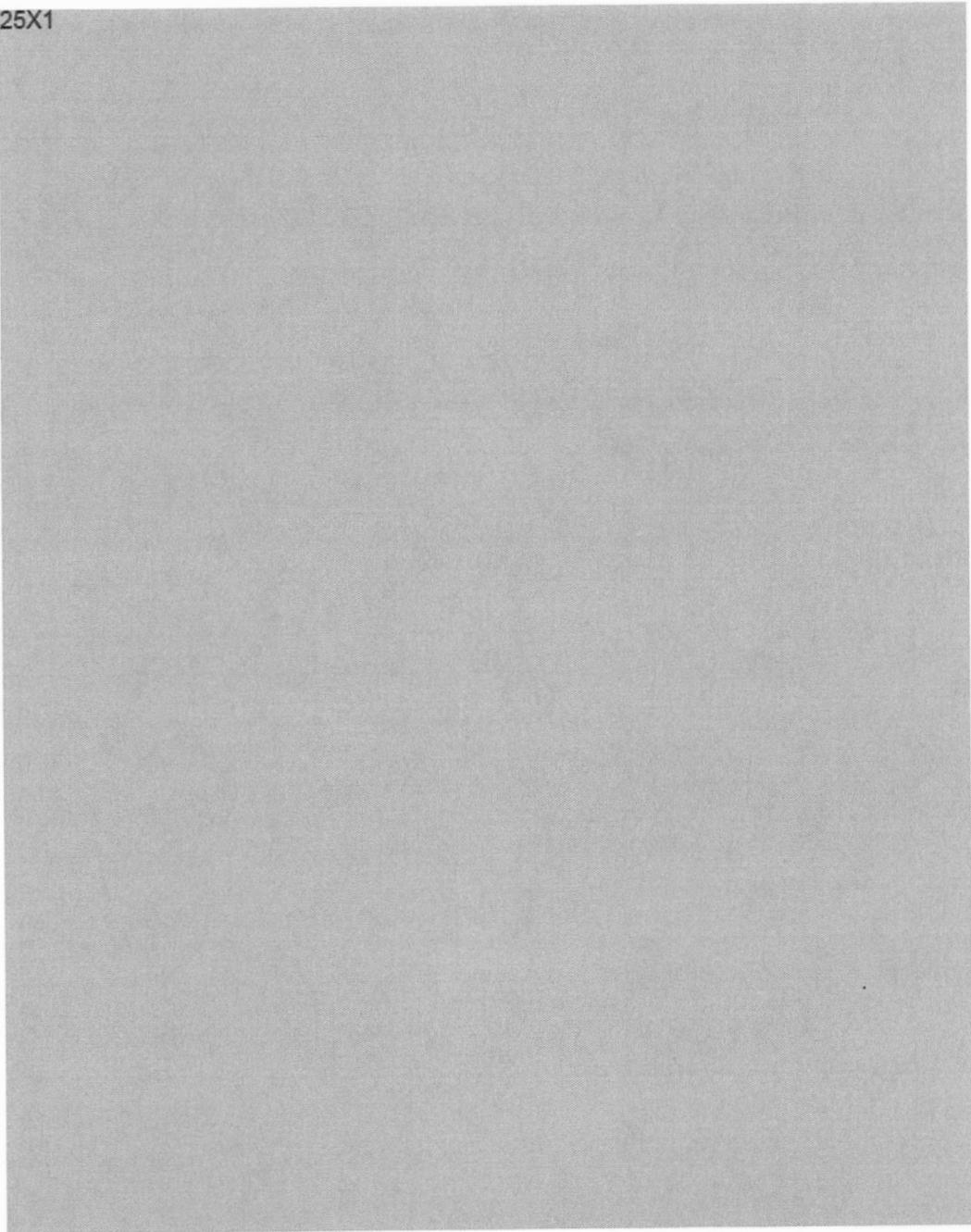
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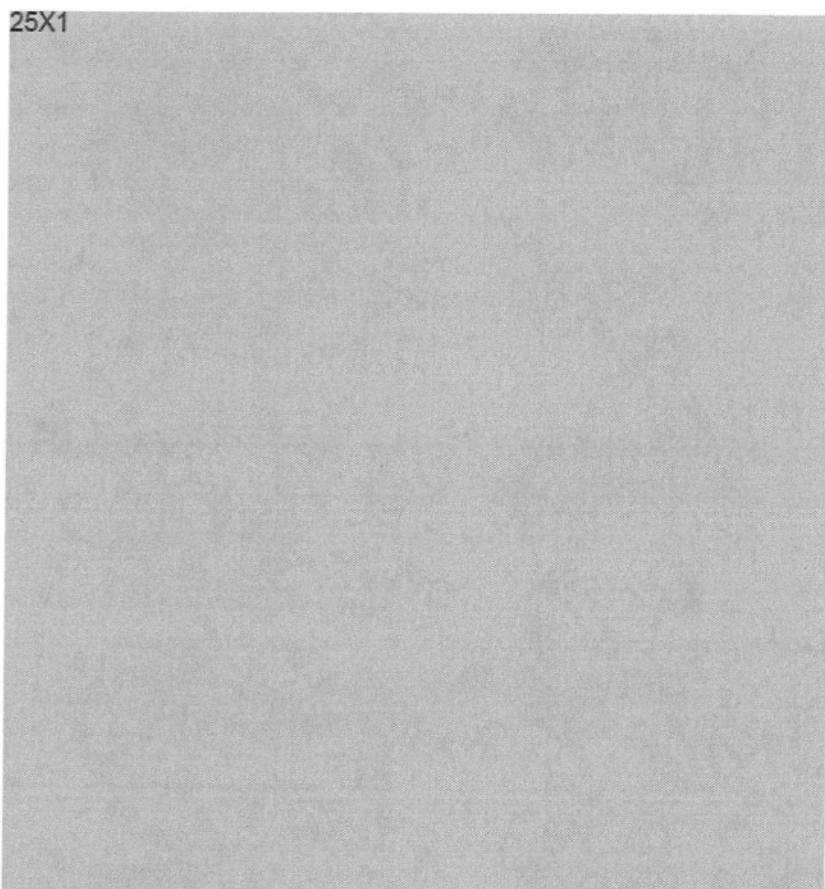
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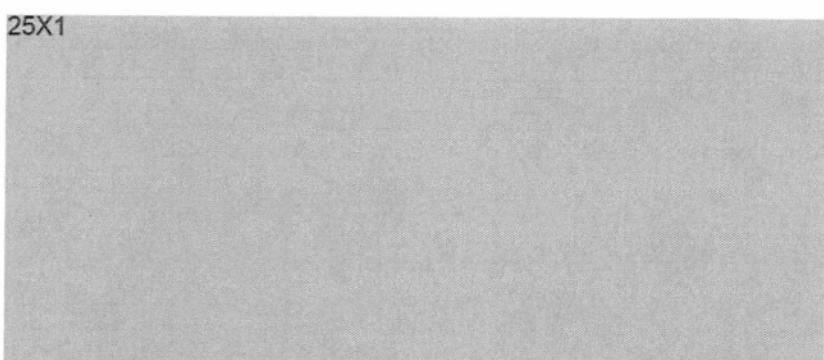
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Sherburne later told the Senate Foreign Relations Committee

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Philip Sherburne determined to break NSA's ties to CIA. (U)

Walter Bennett ©

that Robbins at that time had urged him to run for NSA president with a plan for raising new funds for the Association that would allow NSA to break the tie to the Agency.⁴⁴

Mistrust on both sides soon deepened. 25X1

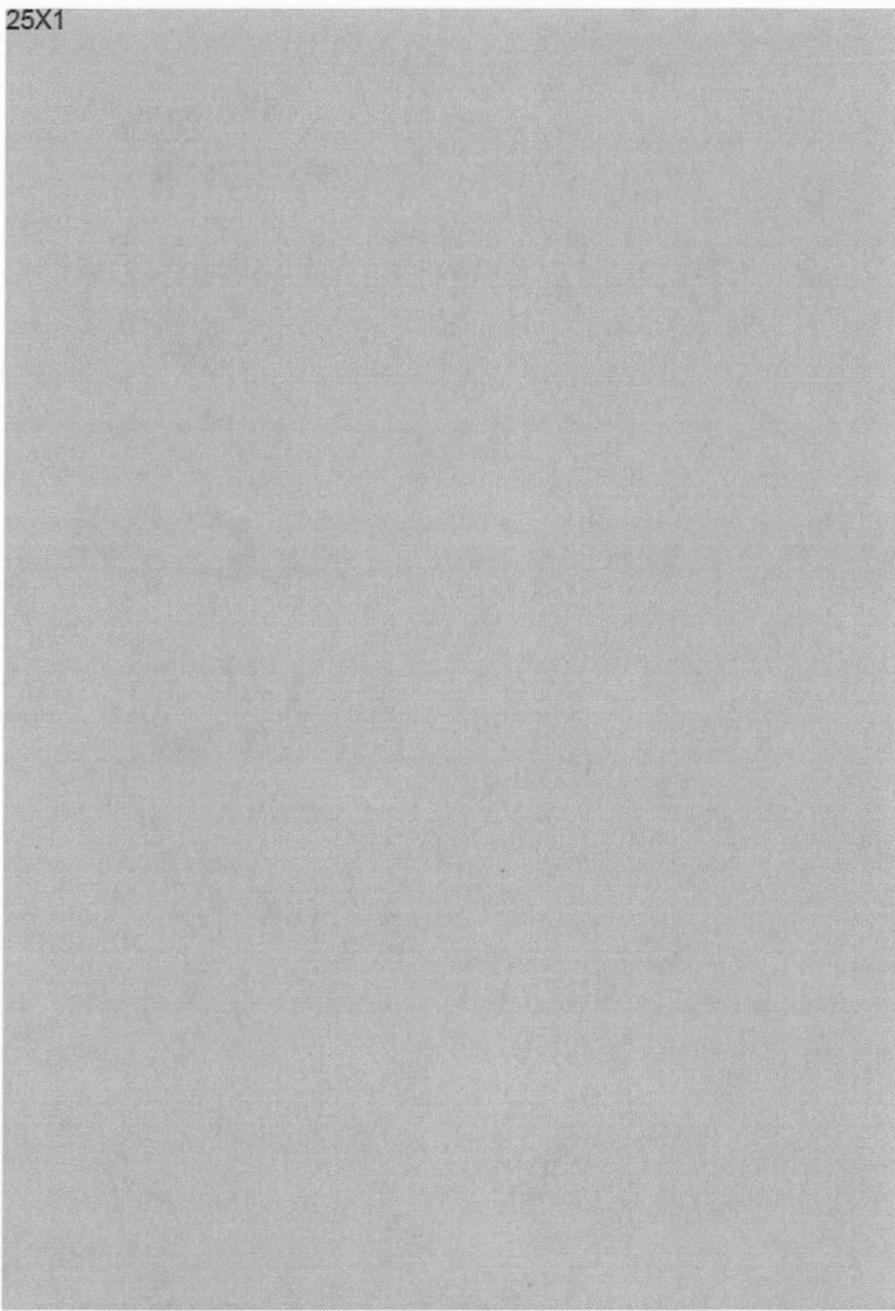
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⁴⁴US Senate, Foreign Relations Committee, unpublished testimony of Philip Sherburne, 6 March 1967, pp. 56-58, cited hereafter as "Sherburne testimony." The Foreign Relations Committee declassified this testimony in 1997. See also Stearns, "We Were Wrong," p. 353. (U)

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[REDACTED] in the autumn of 1965 without additional problems, the sense of injury and suspicion it engendered among the NSA agents extended to the Association's new president, Philip Sherburne. (S)

Sherburne had resolved privately to do what he could to extricate NSA from its clandestine ties to CIA. Soon after his election, Sherburne started making ominous remarks about the CIA-NSA relationship.

[REDACTED] learned that Sherburne and some of his fellow agents had begun to question the morality of NSA's links to CIA; they viewed CIA "in very James Bondian terms . . . [and believed CIA was] out to undermine and subvert any individual or organization who disagrees" with US policies.⁹¹ One of Sherburne's aides was reported to be emotionally distressed by the very existence of the covert relationship.⁹² Sherburne himself showed more rationality in his misgivings. He concluded that NSA should criticize American actions in Southeast Asia and lead the nation's students to exercise a more active role in national political debates. He also proposed that the CIA subsidy come packaged more like regular foundation grants, with NSA submitting a prospectus for a proposed program and the Agency paying the cost of the particular project plus a standard 20 percent for administrative overhead.⁹³

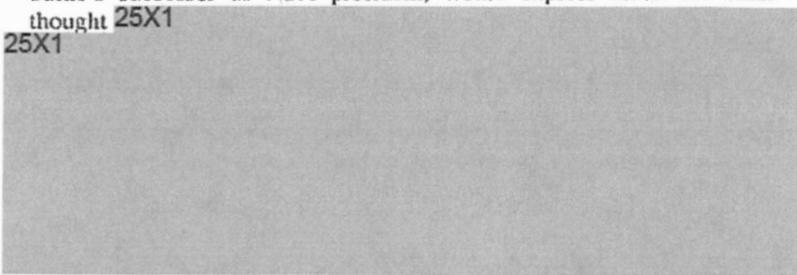
Sherburne and other NSA officers viewed the CIA's concern with Communist-dominated IUS as a relic of the Cold War, perhaps necessary at one time but now counterproductive in light of the new "detente"

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⁹¹ Sherburne testimony, p. 61. (u)

between the United States and the Soviet Union.⁵⁰ Eugene Groves, Sherburne's successor as NSA president, would express much the same thought 25X1

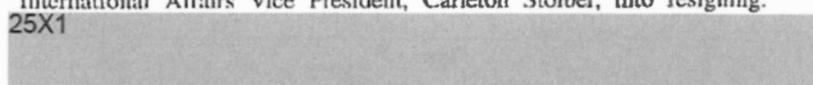
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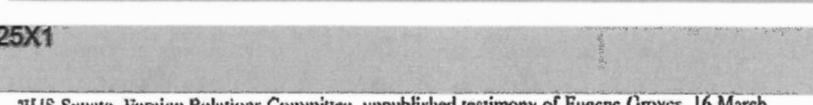
Sherburne's unease about the morality of the CIA tie undoubtedly mingled, in his mind, with a concern over NSA's leftward political drift. The challenge from the Young Americans for Freedom had given way to a series of attacks by the radical Students for a Democratic Society. SDS criticized NSA's foreign and domestic liberalism for being wedded to "establishment" ideas and values, especially in the context of the growing debate over the Vietnam war. SDSers even examined NSA's annual reports and publicly concluded that NSA must have been taking covert payments from the US Government.⁵¹ Indeed, the mood on many campuses was growing antagonistic toward US foreign policy, and the 1965 NSA Congress approved resolutions criticizing the escalating war in Vietnam and the Johnson administration's recent military intervention in the Dominican Republic. Sherburne almost certainly believed that his own power in NSA, as well as the Association's influence among college students, depended to a significant degree on his ability to keep abreast of the political shift on America's campuses. (U)

[REDACTED] Sherburne's political line and the situation in NSA turned to fury in late 1965 when Sherburne wheedled his International Affairs Vice President, Carleton Stoiber, into resigning.

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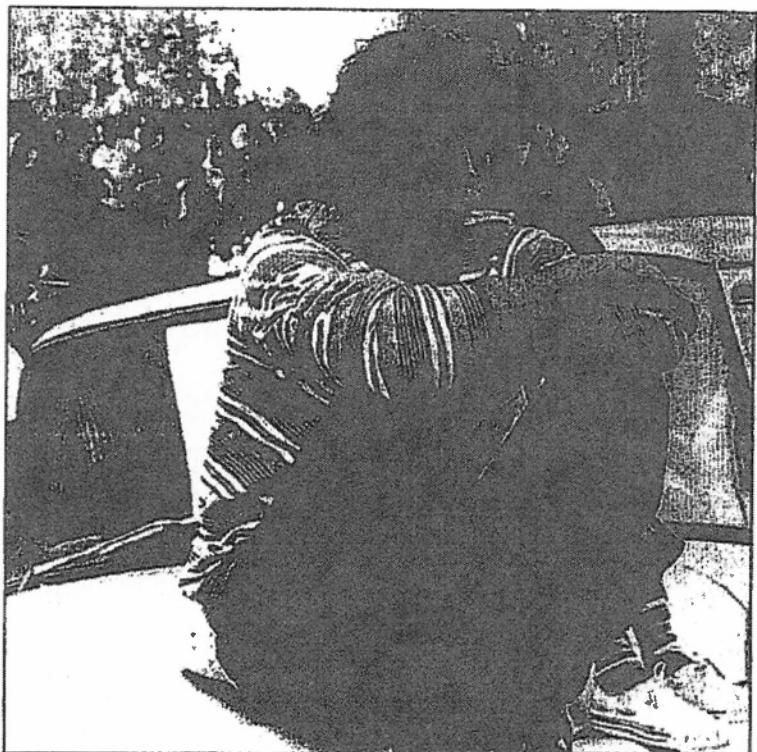


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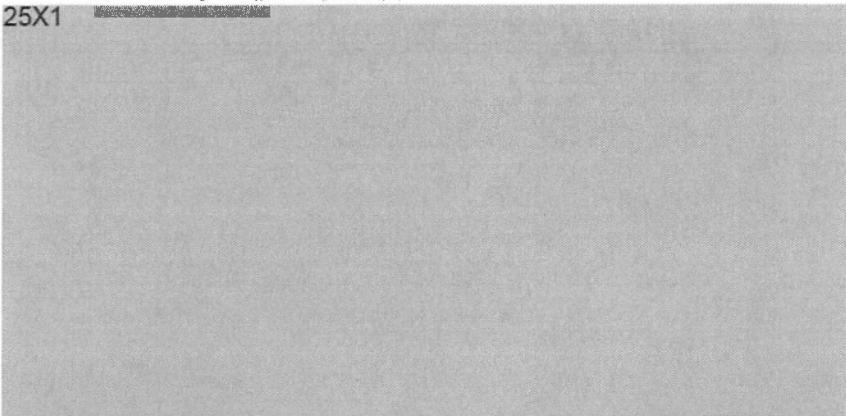
⁵⁰US Senate, Foreign Relations Committee, unpublished testimony of Eugene Groves, 16 March 1967, p. 167; hereafter cited as "Groves testimony." This transcript was declassified by the Foreign Relations Committee in 1997. (u)

⁵¹Sherburne testimony, p. 110. (u)



*Tom Hayden of the Students for a Democratic Society,
which accused NSA of taking covert funds. (U)*

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Sherburne was

unhappy with the cuts; he had already laid staffing and fundraising plans believing that NSA would receive a larger subsidy from the Agency.¹⁰³ He responded philosophically, however, wondering aloud whether NSA should have any relationship with the CIA but agreeing that both organizations had an interest in cooperating on certain limited international projects. 25X1

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The CIA's funding cutback meant immediate hardship for NSA.

Sherburne informed the Association's National Supervisory Board in March 1966 that the national headquarters might have to release several staffers because grants were likely to fall far short of expenses. 25X1

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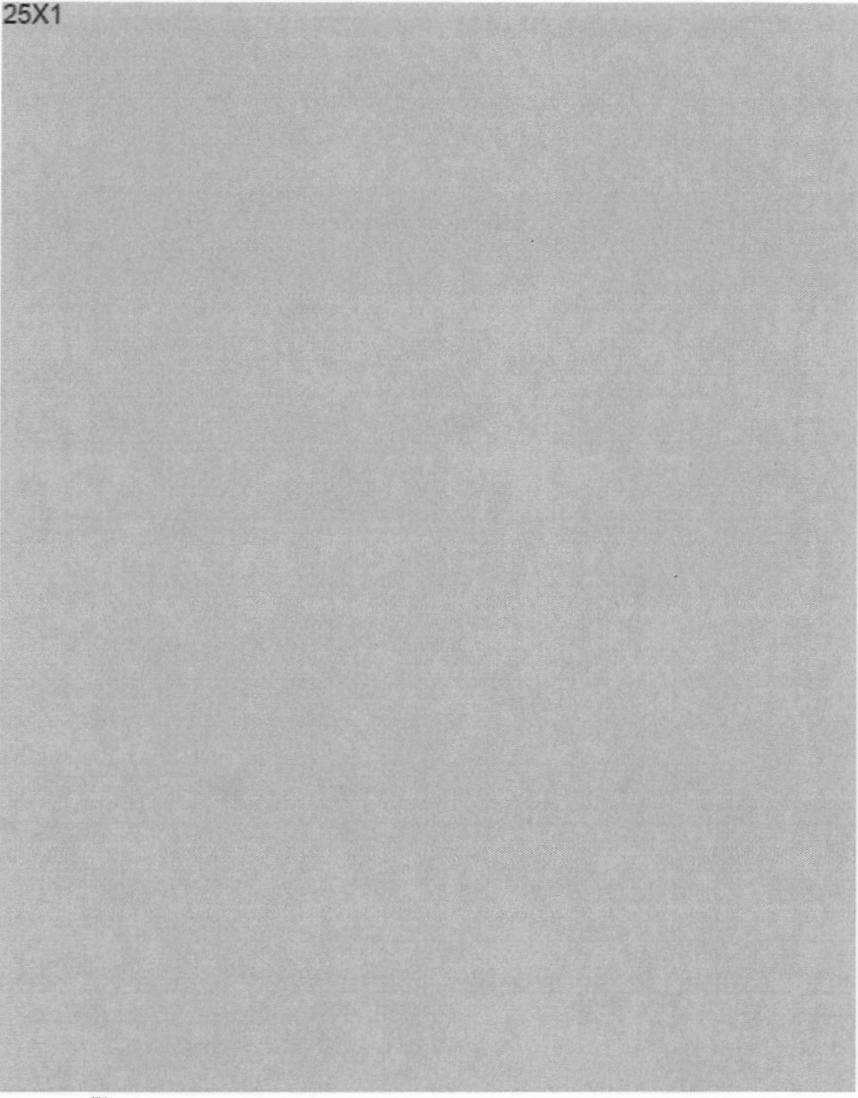
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¹⁰³Sherburne testimony, p. 66, (u)

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¹⁰⁴Philip Sherburne to the NSA National Supervisory Board, 17 March 1966. 25X1

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Sherburne at this point unknowingly set in motion the chain of events that led to the *Ramparts* exposé. According to *Ramparts*, in March 1966 Sherburne privately told a friend—Michael Wood of

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Pomona College, NSA's Director for Development—about the covert relationship. Wood, who had joined NSA in the spring of 1965, had grown frustrated with the inexplicable secrecy and apparent slackness in NSA's fundraising efforts. He went to Sherburne shortly before the latter's trip to South Vietnam and threatened to resign if he did not receive more responsibility. At the same time, Wood's staff had tired of his complaints about alleged sloppy work.¹⁰⁷ To keep peace in the office while he was traveling in Southeast Asia, Sherburne invited Wood to lunch one afternoon and explained to him exactly why the Association could not give him full authority over NSA fundraising. Although Sherburne apparently believed that [redacted] considered Wood a security risk, he divulged to Wood the Agency's links to NSA, piling secret on secret in what must have been something of an emotional release.¹⁰⁸ (U)

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25X1 [redacted] new NSA officers came to Washington in the fall of 1966.¹⁰⁹ Sherburne, for his part, had decided to do what he could to preserve NSA 25X1

25X1 [redacted] He hired eight staffers to raise new funds, and trimmed other staff and expenses.¹¹⁰ He also talked to contacts in Vice President Hubert Humphrey's office to enlist the Vice President's aid in finding private funds for the Association. (Ø)

These efforts together raised \$300,000 in additional funds from expanded foundation and governmental grants. NSA had not eliminated its deficit, but it would now be able to survive without CIA support.¹¹¹ NSA's overseas projects, however, garnered little new interest among potential donors—some of whom, Sherburne later claimed, had even heard rumors of CIA support for NSA and did not want to get "messed up" in covert operations.¹¹² (C)

From the CIA's perspective, the NSA Congress in August 1966 went badly. One delegate told *Time* magazine that the Congress was really a conclave of "the left left-wingers and the right left-wingers."¹¹³

¹⁰⁷ Stern, "NSA," p. 35. Wood's problems with his staff—a situation unmentioned by the *Ramparts* article—were noted on page 3 of Larry Rubin's "diary," released by the NSA-affiliated United States Student Press Association in mid-1967 25X1

25X1 ¹⁰⁸ Sherburne testimony, p. 77. (t) Michael Wood testified to the Senate Foreign Relations Committee on the same day as Sherburne, and both transcripts were bound (and declassified) together. Wood's story will be hereafter cited as "Wood testimony"; See pp. 5-7. (U)

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¹⁰⁹ "The Silent Service," *Time*, 24 February 1967, p. 15. (U)

¹¹⁰ Stern, "NSA," p. 36. Sherburne testimony, pp. 63, 67. 25X1

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¹¹¹ Sherburne testimony, p. 116. (U)

¹¹² "The Crowded Left," *Time*, 9 September 1966, p. 46. (U)

*NSA president Eugene Groves. (n)*

AP ©

Sherburne had recruited a like-minded successor in Eugene Groves—a graduate of the University of Chicago's physics department and a Rhodes Scholar whom ██████████ had flagged as an "SDS candidate" a year earlier. Groves beat a more conservative challenger in the presidential election.¹¹⁴ Groves and his fellow officers remained centrists in relation

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to other student leaders, but the spectrum of student politics had shifted leftward. The Congress passed a Vietnam resolution that was more strident than its 1965 version, calling for an immediate bombing halt and a withdrawal of American troops. Few delegates defended the Johnson administration's Vietnam policy; many wanted even stronger criticism than that contained in the final resolution. The Congress also passed a resolution calling for an end to the peacetime draft.¹¹⁵ (U)

The bad news got even worse when [redacted] someone in NSA had leaked damaging information about the covert relationship. On 31 August Ed Schwartz, NSA's new national affairs vice president, told **25X1** [redacted] that the CIA was secretly subsidizing NSA.

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A drunken NSA staffer or officer (probably Wood or Sherburne) had disclosed the relationship in some detail to Schwartz a few months earlier. Schwartz mentioned the matter to Groves in early August. **25X1**

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In September, **25X1**

tried

to track down the source of the leak, but Groves and Sherburne pleaded ignorance.¹¹⁶ (S)

Groves and his new team had already decided to end the relationship with CIA as quickly and quietly as possible. He later explained that he spent much of that autumn considering various alternatives and weighing their respective risks to NSA and its personnel. A sudden cutoff of CIA support could force NSA into bankruptcy, especially if the Agency found a way to evict the Association from its subsidized Washington offices. Groves worried that this could leave NSA's young male employees without jobs--and without their draft deferments. Needing time to strengthen NSA's financial situation, he agreed to continue dealing with the Agency on two programs only.¹¹⁷ (C)

¹¹⁵"Student Unit Asks US Abolish Draft, Set Up Alternatives," *New York Times*, 1 September 1966, p. 6. (U)

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¹¹⁶W. Eugene Groves, "President's Report - Part I," submitted to the 20th Congress of the National Student Association, August 1967, pp. 2-4; **25X1**

See also Groves testimony, pp. 135, 137. (U)

In the meantime, Groves and Richard Stearns, the new international affairs vice president, sought to take full control over those NSA activities and personnel [redacted]

[redacted] They informed NSA's overseas representatives that Association headquarters would now review *in advance* all travel plans and significant expenditures.¹¹⁸ Groves continued Sherburne's policy of appealing the draft notices of NSA staffers directly to the Selective Service's Presidential Appeals Board,

[redacted] Finally, NSA's new leadership intensified its efforts to find independent funding for the Association's international programs.¹¹⁹ (C)

The CIA's long relationship with NSA formally ended 25X1

[redacted] Groves sensed that his [redacted] contacts were trying to hang on to the operation as long as possible in hopes of making new and friendlier contacts in NSA, but this was not to be.¹²⁰ Unfortunately for both sides, events elsewhere had already acquired a momentum that could not be halted. (C)

The previous September, Groves had implemented additional economies in the hope of trimming NSA's budget deficit. As a consequence, Michael Wood lost his job as Director of Development. *Ramparts* later claimed that Wood decided around this time to use Sherburne's revelation to force the Association to cut its CIA ties.¹²¹ The truth may have been simpler: Wood apparently was retaliating against the people who had fired him.¹²² Sometime in early autumn, Wood took a 50-page memo detailing what he knew to *Ramparts* magazine, which set to work investigating his story.¹²³ (U)

The CIA and NSA knew nothing about *Ramparts'* investigation until New Year's Day 1967, when Groves learned from antiwar activist and former NSA president Allard Lowenstein that the magazine was

¹¹⁸Eugene Groves and Richard Stearns to NSA Overseas Representatives, 5 October 1966. 25X1
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¹¹⁹Robert Warna, Far East Bureau, Department of State, memorandum of conversation, "Interests of US National Student Association in Working in Viet-Nam," 25 October 1966. 25X1
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Officer Richard Stearns later suggested that NSA's independent fundraising had been successful enough to reassure the Association's leaders that NSA could survive without CIA funds; Stearns, "We Were Wrong," p. 354. (U)

¹²⁰Groves testimony, pp. 137-138, 147. (U)

¹²¹Stearns, "NSA," p. 36. (U)

¹²²Groves, "President's Report—Part I," p. 3. (U)

¹²³"The CIA and 'The Kiddies,'" *Newsweek*, 27 February 1967. (U)

editing an article on NSA's ties to the CIA. Groves and other NSA officers soon learned that Michael Wood was *Ramparts'* main source. Sherburne, by then a student at Harvard Law School, persuaded Wood to fly to Washington on 22 January, where he and Groves pleaded with Wood to retract his story. Sherburne and Groves had little concern about the potential damage to the CIA and its operations, but they wanted to minimize any repercussions for NSA, as well as to ensure the safety of NSA's exchange student in Poland, Roger Pulvers.¹²⁵ Wood apparently passed this information back to *Ramparts'* editors, who now worried that Groves and NSA might pre-empt the scheduled exposé by giving the story to another publication or by briefing the press themselves.¹²⁶ (U)

For the next three weeks Groves and *Ramparts* jockeyed to be the first to go public with the story of the covert relationship. Both needed a little more time. *Ramparts'* publication schedule forced its editors to sit on the news until mid-February; they also hoped to buttress the article against potential libel suits by wringing admissions from NSA's current officers. Groves sensed what *Ramparts* needed and he refused to cooperate.¹²⁷ As he considered various ways of revealing the CIA-NSA link to the public, Groves decided that NSA had to find some way to compel the US Government to acknowledge the existence of the covert relationship. (U)

Such an acknowledgment, Groves believed, would protect NSA's tax exemption and draft deferments and would leave the Association eligible for overt government and foundation grants in the future. Groves quietly sought advice from former NSA officers and sympathetic public figures such as the Rev. William Sloane Coffin at Yale. In Washington, he called on Senator J. William Fulbright and White House aide Douglass Cater, one of the founders of NSA.¹²⁸ On 8 February Groves flew to Europe to visit the ISC and meet with Roger Pulvers in London. Groves later claimed that he had bought a little extra time for Pulvers

¹²⁵ Sherburne testimony, p. 100. Groves testimony, pp. 145-146. (U)

¹²⁶ Groves, "President's Report—Part I," p. 5. Groves and other officers had confided in Lowenstein in November 1966, disclosing the fact of the CIA-NSA relationship and asking his advice about ending it; Harris, *Dreams Die Hard*, p. 159. (U)

¹²⁷ Stern, "NSA," p. 37. (U)

¹²⁸ Groves, "President's Report—Part I," pp. 5-6. Cord Meyer, Memorandum for the Record, "Conversation with Mr. S. Douglass Cater, Jr., Special Assistant to the President Re *Ramparts'* Article on Agency Connections with the US National Student Association (USNSA)," 25 January 1967.

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by stonewalling a pair of *New Republic* writers (James Ridgeway and Andrew Kopkind) whom Michael Wood had tipped about the impending revelations.¹²⁹ (U)

During this time the Agency did what it could to minimize the impact of the impending *Ramparts* exposé. [REDACTED] knew nothing for certain about the story until 23 January, when Sherburne called to say that Michael Wood had been *Ramparts'* source. A few days later Sherburne admitted that he himself had leaked the information to Wood. It quickly became obvious that *Ramparts* had devoted considerable resources to the investigation. Contacts from around the country warned [REDACTED] that *Ramparts* reporters had approached them, and that some of these journalists had mentioned that the investigation was co-sponsored by the Institute for Policy Studies (IPS), a Washington think tank closely tied to the anti-war movement.¹³⁰ (U)

At the same time, *Ramparts* editor Robert Scheer did some research of his own. In late January he turned up in The Netherlands to meet with COSEC staffers. He went on to Prague to visit IUS headquarters—a fact omitted from the subsequent *Ramparts* article on NSA.¹³¹ The IUS presumably did what it could to corroborate Scheer's findings. 25x1

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¹²⁹W. Eugene Groves, "NSA and the CIA: On People and Power," in Philip R. Werdell, editor, *The CIA and the Kiddies*, 1967 (this is a collection of reproduced articles and essays held at the Library of Congress; the Groves essay does not seem to have been published elsewhere). 25x1

¹³⁰Scheer subsequently admitted to columnist Carl Rowan that he had discussed NSA with IUS officials in Prague, but he insisted that IUS had not steered either himself or *Ramparts* in the NSA investigation; see Carl Rowan, "Miasma of Political Mistrust Grows," *Washington Star*, 24 February 1967. (U)

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Eugene Groves reached his Rubicon on 13 February 1967. He had flown home from Europe the day before, satisfied that Roger Pulvers was safely out of Poland and that public disclosure would not do irreparable harm to NSA's sister student unions abroad.¹³⁵ *Ramparts*, upon learning through its own sources in NSA headquarters that a public statement was imminent, prepared a full-page advertisement trumpeting its scoop to run in the 14 February edition of the *New York Times*. Seeing the camera-ready ad laid out in the newsroom, *Times* reporter Neil Sheehan called NSA headquarters on the afternoon of the 13th and read it to Groves, who in turn called 25X1 with word that the hour of reckoning had come. 25X1

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Groves thus gave the *New York Times* a story as big as the one uncovered by *Ramparts*—the first public acknowledgment by a CIA client of the Agency's role in supporting domestic anti-Communist organizations. While denying that NSA had performed intelligence missions for the CIA, Groves admitted that the Association's international program had received Agency funds since the early 1950s.¹³⁷ Scooped by

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¹³⁵ Groves, "President's Report—Part I," pp. 6-7. (U)

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¹³⁷ Neil Sheehan, "A Student Group Concedes it Took Funds from CIA," *New York Times*, 14 February 1967, p. 1. (U)

THE NEW YORK TIMES, TUESDAY, FEBRUARY 11, 1967.

[An Editorial Announcement]

In its March issue, Ramparts magazine will document how the CIA has infiltrated and subverted the world of American student leaders, over the past fifteen years.

It has used students to spy; it has used students to pressure international student organizations into taking Cold War positions; and it has interfered, in a most shocking manner, in the internal workings of the nation's largest and oldest student organization:

The 10,000 word account of the operations of the CIA within America's largest student organization is a case study in the corruption of youthful idealism. It is also a singularly disquieting indication of the extent to which the government's secret intelligence apparatus wormed its way into American institutions.

The story in the March Ramparts also presents an amazing account of how the CIA bends so-called independent foundations to its clandestine financial purposes, using them as conduits for espionage money. Names are named and dollar amounts cited.

. It is, additionally, the poignant story of the recent attempts by student leaders to throw off their financial shackles to the CIA, and of the highly-placed liberals in the government who tried—and failed—to help them.

Ramparts will dedicate this story to the tens of thousands of innocent American students who went abroad,

or worked hard in liberal student politics at home, unaware that their leaders had sold out their independence.

When you read this extraordinary article, you will feel that the CIA owes the youth of this country an apology.

The demand for the March Report is expected to be unusually heavy, so you may be well advised to order your newsletter and reserve your copy now. If you wish, you may also receive the March issue by air mail by enclosing a subscription at the special International rate listed below. Cash orders will receive, free, a copy of the University Report on February 15th.



National Market Award Final

Ramparts magazine's advertisement in the New York Times precipitated the initial disclosure. (1)

the 14 February *Times*, the editors of *Ramparts* the following day released their own story early as "a public service." The magazine laid out a detailed and remarkably accurate sketch of the covert relationship. (U)

The Aftermath (U)

Reporters and editors across America grabbed the story immediately, barraging the Johnson administration with questions. The uproar quickly convinced the White House that a simple denial was futile. The administration later that same day had the Department of State issue a brief statement acknowledging that CIA "since 1952" had funded NSA's overseas activities as part of its efforts to offset Communist influence among unspecified foreign student groups, and adding that the President had ordered CIA to suspend its secret aid programs for student groups.¹² (U)

Groves' admission and the resulting publicity strained his relations with the NSA's headquarters staff, even though many members had known the gist of the *Ramparts* article for at least a week. The Association's National Supervisory Board immediately convened a three-day investigation (shifting its meeting room repeatedly to escape feared surveillance) and did its best to get to the bottom of the clandestine relationship. Groves, Sherburne, and other officers told almost everything they knew about the CIA's operations with NSA (while omitting a few names and details for fear of prosecution). Excited reporters hovered about, hoping that new tidbits would emerge from the Board meeting or NSA headquarters.¹³ (U)

In commenting to the reporters who suddenly flocked around them, Association staffers seemed torn between the temptation to attribute the long relationship to the Agency's sinister blandishments and a contradictory desire to deny that the CIA had dictated plans and

¹² Neil Sheehan, "Order by Johnson Reporting Ending CIA Student Aid," *New York Times*, 15 February 1967, p. 1. 25X1

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¹³ Larry Rubin's "diary," released by the NSA-affiliated United States Student Press Association in mid-1967. 25X1

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policies to a subservient NSA. On 16 February, Groves, Stearns, and Schwartz disclosed that six other private groups (all funded under HBEPITOME) had been CIA clients.¹⁴⁰ They named two of their Agency contacts—[redacted] and said the CIA had recruited other NSA members.¹⁴¹ The following day Sam Brown, speaking for the National Supervisory Board, publicly estimated that the Agency had provided 50 to 80 percent of NSA's budget in most years and accused the CIA of "trapping" NSA members into performing covert missions and placing them under "fantastic pressures" to keep quiet. The Board voted to suspend the credentials and freeze the funds of NSA's overseas representatives. It also promised to assist any official probe of the CIA's activities on campus.¹⁴² (S)

The wave of public charges and the loud claims of violated innocence from current NSA staffers elicited disgust from the old team that had served in both NSA and CIA. In a final show of solidarity, 12 former NSA presidents signed a public letter admitting that they had unwittingly worked with the Agency but asserting that they had exercised the "utmost vigilance and independence of judgment" in doing so. They told reporters they had no regrets about taking CIA money and quietly serving their country.¹⁴³ One of the signers of this letter, W. Dennis Shaul, separately defended the covert alliance: "If I were [NSA] president now, I would continue to accept CIA funds. CIA had nothing to do with how the money was spent; there were no strings on us."¹⁴⁴ (U)

The statement by the former NSA presidents probably helped calm the uproar, which had already begun to abate when Sen. Robert F. Kennedy quashed speculation that the student and youth programs had been a rogue CIA initiative. Pressed for comment on the affair by reporters, Senator Kennedy stated publicly that the Agency had informed him and President Kennedy of the operation.¹⁴⁵ Cord Meyer later claimed that this statement had taken much of the momentum out of the scandal.¹⁴⁶ (U)

¹⁴⁰The groups were the International Student Conference, the Foundation for Youth and Student Affairs, the Independent Research Service, the World Assembly of Youth, the United States Youth Council, and the Independence Foundation. Only Arthur A. Houghton, president of FYSA, admitted that his organization had cooperated with "the Government." Neil Sheehan, "Funds Identified as Go-Betweens," *New York Times*, 16 February 1967, p. 26. (U)

¹⁴¹Shooham, "Funds Identified as Go-Betweens." (U)

¹⁴²The NSB's 17 February statement was republished by Philip Werzell in "The CIA and the Kid-dies." (U)

¹⁴³Steven V. Roberts, "Ex-Student Aides Defend Subsidies," *New York Times*, 26 February 1967, p. 2. The signatories were (in chronological order of their presidencies): William Dentzer, James Edwards, Harry Lunn, Stan Glass, Harold Bakken, Ray Farabee, Robert Kiley, Donald Hoffman, Richard Reitig, Edward Garvey, Dennis Shaul, and Greg Gallo. (U)

¹⁴⁴"The Silent Service," p. 15. See also Shaul's comments in "We Were Right," pp. 233, 362. (U)

¹⁴⁵"Kennedy Lays CIA Financing to Executive Decisions," *New York Times*, 22 February 1967, p. 17. (U)

¹⁴⁶Cord Meyer, *Facing Reality*, p. 89. (U)

NSA's resentment toward the CIA was exacerbated by actions taken by other government agencies—actions that some NSA staffers understandably but mistakenly believed the Agency had instigated.¹⁴⁷ Shortly after the *Ramparts* story broke, the Presidential Appeals Board of the Selective Service denied NSA's appeal for "occupational" draft deferments for six Association staffers (who thus remained in "1-A" status).¹⁴⁸ A few days later, the Internal Revenue Service revoked the Association's tax-exempt status. The timing of the two rulings looked suspicious. The announcements may indeed have been prompted by the 14 February revelations, but both agencies had been preparing these decisions for some time. General Hershey, under pressure to fill rising draft quotas, resented the antidraft resolution passed by the NSA Congress in August 1966.¹⁴⁹ The IRS had begun its review of NSA's tax-exempt status in 1965 when the Association changed its incorporation to the District of Columbia. Indeed, conservatives and Southern segregationists had complained for years that NSA was playing politics and did not deserve tax-exempt status.¹⁵⁰ (ey)

For a few weeks it looked as though the bitterness and mutual suspicions which the *Ramparts* article spawned might well destroy the Association. NSA's New Left minority faction—aided by sympathetic and detailed articles in the *New Republic* and the *Village Voice*—tried to use the crisis as an opportunity to re-direct the organization's policies.¹⁵¹ Groves and his fellow officers fended off the left by deliberately antagonizing the CIA 25X1 Emotionally scarred by the weeks of arguments and accusations, Groves and Sherburne turned actively hostile toward the CIA, testifying before the Senate Foreign Relations Committee and even calling for a Congressional

¹⁴⁷One alleged reprisal angered Sen. J. William Fulbright, chairman of the Senate Foreign Relations Committee. Before the flap hit the media, Philip Sherburne had retained as his attorney Roger Fisher, professor of law at Harvard. Fisher confirmed to Senator Fulbright that an Agency officer had contacted him in early February to urge that Sherburne be advised to deny the NSA-CIA tie when the story broke (Fisher refused to pass such advice). The CIA man, whom Fisher did not name, assured Fisher that Sherburne would not be prosecuted but also asserted that he was behaving irrationally and might be mentally unbalanced. See Roger Fisher to Sen. J. William Fulbright, 15 March 1967, attached to the Groves and Stearnes testimony. Sherburne's account of the incident, and Fulbright's reaction, can be read in Sherburne testimony, pp. 122-123. (U)

¹⁴⁸Groves testimony, p. 151. (U)

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¹⁴⁹Lewis, "The 1967 Crisis in Covert Action Operations," p. 146 (Secret). (U)

¹⁵⁰The articles in question were "Playing it Straight," *New Republic*, 4 March 1967; and Bob Ross and Todd Gitlin, "The CIA at College: Into Twilight and Back," *Village Voice*, March 1967. (U)

probe.¹⁵² The Association broke its ties to the US Youth Council [REDACTED] the American representative in the World Assembly of Youth) and threatened to do the same with the International Student Conference unless the ISC purged itself of all CIA affiliations.¹⁵³ (U)

Tempers in NSA cooled, however, as its officers reasserted control over the organization. Shortly before the NSA Congress in August, Groves strengthened the Association's moderate leadership by announcing an advantageous (for NSA) outcome to the negotiations over the Association's Washington headquarters. The CIA obviously could not honor its agreement to subsidize a 15-year rent-free lease for NSA after President Johnson's order to halt all subsidies to American student groups. DDP Desmond Fitzgerald hoped to "force NSA's hand," compelling the Association either to buy the building or vacate the premises.¹⁵⁴ But CIA had little leverage after NSA officers in June stated that the Association regarded the lease as "iron-clad"; Agency officials hardly wanted to file an embarrassing lawsuit that would evict NSA and quite possibly kill the Association in the bargain.¹⁵⁵ Sensing their advantage, NSA officers in early August offered to assume the existing mortgage—an arrangement that gave them title to the building at a price tag of about half its current value.¹⁵⁶ (S)

Despite an initially gloomy outlook, NSA survived its break with CIA. The NSA Congress that met at the University of Maryland in August 1967 heard loud complaints about the NSA leadership's aloofness and elitism, but delegates resisted pressures for a radical turn and elected Ed Schwartz to succeed Gene Groves as president. The Association's membership ironically increased from 330 colleges to 354 in the months after the scandal broke, and NSA found funding from the State Department, the Office of Economic Opportunity, and the National Mental Health Institute, and later picked up various foundation grants.¹⁵⁷ NSA lurched further leftward during the height of the antiwar protests in the early 1970s, but turned back toward a more moderate course a few years later. In 1978 it absorbed several smaller student organizations and changed its name to the United States Student Association. As such, it

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¹⁵² Herbert H. Denton, "CIA Tries to Oust Student Tenants From Their Rent-Free Headquarters," *Washington Post*, 25 June 1967. (U)

¹⁵³ "Students to Cut Last Tie to CIA," *New York Times*, 12 August 1967, p. 1. 25X1

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still represents more than 400 member schools, but its Washington headquarters is now smaller and has moved from its S Street townhouses to a downtown suite on K Street, NW. (U)

Conclusion (U)

The covert relationship between the National Student Association and the Central Intelligence Agency began as a joint effort to ensure that the International Student Conference could be an effective rival to the Communist-dominated International Union of Students. CIA gave NSA roughly \$3.5 million through FY 1966 for this purpose.^{1st} *Ramparts'* revelations wrecked this effort and fatally damaged the ISC, which disintegrated in April 1969. (U)

The ISC's rival, the Communist-dominated International Union of Students, survived its own troubles and emerged from the 1960s as the unchallenged colossus of world student groups. The IUS remained strong into the 1980s, cooperating with Western and Third World students on some issues and squabbling with them on others, but it too eventually fell victim to political shifts of a different order. In late 1991 the new democratic government of Czechoslovakia took steps to expel several Communist-controlled fronts that had aided and abetted the totalitarian regime in Prague. The IUS was among them. Although IUS survived this challenge and remains in Prague, it is a shadow of its former self. Its website talks of financial woes, and IUS apparently had trouble sending officers to the 14th World Youth and Students Festival in Havana in 1997. The US Student Association was not then a member of IUS. (U)

The fates of the ISC and the IUS provide some perspective on the secret CIA-NSA alliance. The Central Intelligence Agency never controlled the National Student Association. The Association's elected officers originally cooperated with the Agency to fight the Communist threat to other student organizations, and both parties soon found independent reasons to maintain the covert relationship. 25X1

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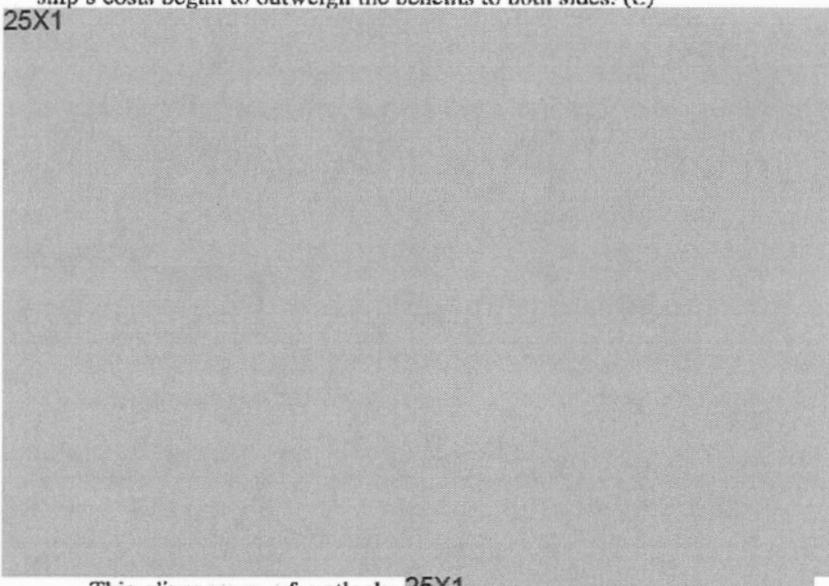
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CIA subsidies (as long as they remained secret) bought prestige and influence for NSA's national officers, enabling them

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to perform what most regarded as a patriotic mission. This alliance dissolved, however, when the Association abandoned the anti-Communist liberalism that still pervaded the Agency—that is, when the relationship's costs began to outweigh the benefits to both sides.¹⁵⁹ (C)

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This divergence of outlooks 25X1

25X1 manifested itself in the growing friction and distrust that marked CIA-NSA relations after 1963. The older [redacted] maintaining a strong sense of loyalty to NSA, to the cause of international student relations, and to American foreign policies, contended that they had not let the CIA subjugate NSA. In 1967, one former NSA president told the *New York Times* that he used to advise strong-willed people to run for NSA offices so that the CIA would not finally find someone it could "run all over."¹⁵⁹ (C)

In contrast, after 1963 the new breed of NSA officers did not share this sense of the imperative to fight Communism. They also, ostensibly, set a higher priority on honesty and the integrity of relationships with friends, colleagues, and constituents. NSA's alliance with CIA, which required clandestine work with and for the government, they felt, ultimately poisoned that honesty and integrity. To NSA staffers such as Michael Wood, it seemed the US Government was trying to promote

¹⁵⁹ Steven V. Roberts, "Move to End CIA Tie Held Reflection of New Campus Views," *New York Times*, 17 February 1967, p 16. (U)

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democracy abroad by anti-democratic means at home.¹⁶⁰ **25X1**

Dennis Shaul looked back in August 1967 to see that the new NSA leaders represented "an altogether different student generation than the one six—or even three—years ago."¹⁶¹ **25X1**

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(S)

¹⁶⁰ Wood testimony, p. 36. (U)
¹⁶¹ Shaul, "We Were Right," p. 306. (U)

Chapter Four

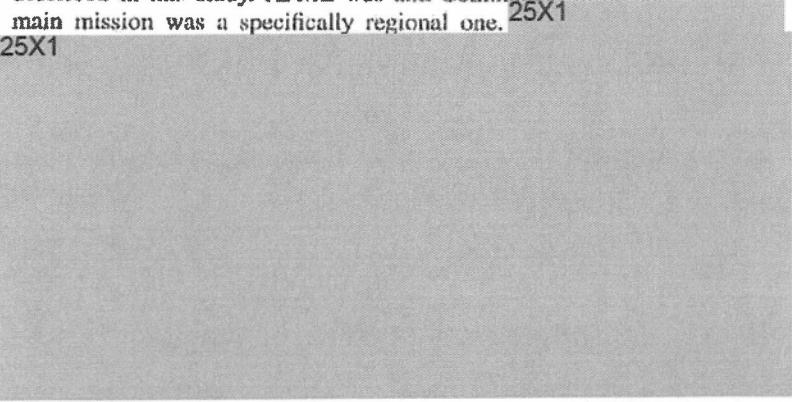
A Hidden Policy

The American Friends of the Middle East (S)

The CIA's relationship with the American Friends of the Middle East (AFME) differed in several respects from the other projects described in this study. AFME was anti-Communist, to be sure, but its main mission was a specifically regional one.

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Origins (U)

Kermit Roosevelt Jr. in the 1940s moved in a very small circle of Americans—the relative handful who knew and loved the Middle East. Grandson of one president and cousin of another, "Kim" had taught history before the war, worked under William Langer in the Research & Analysis Branch of the Office of Strategic Services (OSS), and then

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served as an aide to Assistant Secretary of State Dean Acheson. Later he worked with Stephen Penrose Jr. in the OSS station in Cairo, gathering agent reports from all over the Near East.² After the war Roosevelt helped draft the official history of OSS and then left the government to concentrate on writing and speaking on Middle Eastern affairs. (U)

During the war Stephen Penrose—and probably Kermit Roosevelt as well—had encountered an ambitious proposal for softening elite Arab opinion toward the United States. In early 1943 an OSS officer, Lt. Col. Harold B. Hoskins, a textile company executive and a distant relative of the Dulles family, visited the Near East and subsequently tried to convince the US Government of the need for overt and covert programs aimed at spreading goodwill in the Arab world.³ Hoskins shared the concern of many American officials that the Arab-Jewish dispute over Palestine could turn Arabs against America, but his specific policy suggestions—such as the notion that Washington should support a Jewish state in Italian Cyrenaica (modern-day Libya)—seem to have met with skepticism.⁴ OSS Director William Donovan declined to endorse Hoskins' ideas and did not authorize his several briefings of Congressmen and Department of State officials. Nevertheless, Penrose (and OSS' Secret Intelligence Branch) believed that Hoskins' proposal for influencing Arab religious and economic leaders merited consideration.⁵ (U)

Hoskins' plan foundered on the exigencies of the wartime Anglo-American alliance. British officials had cooperated with Hoskins during his tour of the Near East, but British diplomats and intelligence liaison officials in Washington were not amused when OSS officers indiscreetly asked their opinion of Hoskins' actual proposals. Hoskins argued that the Arabs were antagonistic toward British rule, but still respected the United States, which had no imperial past in the region. London seems to have found it impolitic, at the least, for Americans to be asking for British comment on the notion of an expanded American influence among Arabs living under British authority.⁶ (U)

²Richard Harris Smith, *OSS: The Secret History of America's First Central Intelligence Agency* (Berkeley: University of California Press, 1972), p. 125. (U)

³For an overview of Hoskins' activities and plan, see *Ibid.* (U)

⁴Harold B. Hoskins, Special Operations Branch, OSS, to Cordell Hull, Secretary of State, "The Present Situation in the Near East," 20 April 1943, National Archives and Records Administration, Record Group 226, Entry 180, microfilm roll 110, (declassified). (U)

⁵For Donovan's reaction and the ultimate fate of Hoskins' scheme, see William J. Donovan, Director, Office of Strategic Services, to Inspector General, OSS, "Lt. Col. Harold B. Hoskins," 16 June 1943, (declassified). Stephen Penrose Jr., Secret Intelligence Branch, to Whitney Shepardson, Chief, Secret Intelligence Branch, "Consensus of Desk Opinion on Colonel Hoskins' Report of January 14, 1943," 26 January 1943, (declassified). Both documents are at National Archives and Records Administration, Record Group 226, Entry 180, microfilm roll 110. (U)

⁶Bickham Sweet-Façott, *Baker Street Irregular* (London: Methuen, 1965), pp. 135-137. (U)

The postwar dispute over Jewish emigration to the Holy Land revived questions of America's stature in the Middle East. Kermit Roosevelt soon joined the public debate. An outspoken opponent of Zionism and critic of President Truman's support for a Jewish state, Roosevelt co-founded the short-lived Committee for Justice and Peace in the Holy Land to oppose the partition of Palestine. Although the Committee folded when the state of Israel won its independence in 1948, several of its members and supporters continued to write and speak on the Palestine issue. More than a few committee members were friends of Kermit Roosevelt, and they would go on to become the early leaders of the American Friends of the Middle East. These people included retired Barnard College dean Virginia Gildersleeve, the Rev. Dr. Garland Evans Hopkins, diplomat Harold B. Minor, and two consultants to the Arab-American Oil Company (Aramco), James Terry Duce and William A. Eddy.⁷ (U)

Kermit Roosevelt subsequently explained his views in his book *Arabs, Oil and History* (1949). America had overlooked and misunderstood "the Orient," he complained, and he dedicated his volume to

my friends in all parts of the Middle East, with affection and hope for success in their labors to build better societies. I have written with the conviction that understanding between the Middle East and America is vital to both. Each has much to offer, and to learn.

Americans, according to Roosevelt, had to recognize that Arabs regarded Washington's talk about democracy and self-determination as hypocritical as long as America allied itself with the French and British empires and indulged Israel (which Roosevelt called the region's "newest so-called democracy"). Moscow was just waiting for the withdrawal of the Western imperial powers and the likely failure of American leadership. Such a failure was inevitable, said Roosevelt, if Washington did not recognize that its interest lay in nurturing the indigenous humanistic values of the region rather than imposing political and social ideas that had developed in specifically Western contexts. Washington's assessment of Palestine particularly vexed Roosevelt, who argued that Congress, the White House, and the news media had all been swayed by aggressive Zionist propaganda. While acknowledging that both the Arabs and the

⁷I.L. Keren, "Arab Propaganda: Line and Apparatus," *Middle East Report*, October 1964, nn. 13-15.
25X1



Kermit Roosevelt, Jr. joined OPC in 1949. (U)

Chase Studios ©

Zionists had a measure of justice on their sides, Roosevelt complained that Americans who had tried to engage in responsible debate over the nation's Palestine policy had been tarred by unsound charges of anti-Semitism. As a result, he contended, America had weakened its friends in the region—moderate Jews as well as progressive Arabs—and now had no coherent policy for the Middle East.⁴ (U)

⁴Kermit Roosevelt, *Arabs, Oil and History: The Story of the Middle East* (New York: Harper & Row, 1949), pp. 260-262, 256-271. (U)

Roosevelt's thoughts on Palestine hardly broke new ground. Many American diplomatic and military leaders had quietly opposed President Truman's recognition of Israel. Anti-Semitism was not the principal root of this opposition, which stemmed rather from the belief that the Jewish immigrants in Palestine were hopelessly outnumbered by their Arab foes, and that American support for the quixotic ideal of a Jewish state needlessly provoked Arab anger, could endanger Western oil supplies, and might enable Moscow to gain new influence in the region. President Truman and his advisers might also have conceded the truth of Kermit Roosevelt's complaint that Zionism's proponents could (and did) bring significant public pressure to bear on American leaders even though many American Jews had not made up their own minds about the wisdom of a Jewish state in Palestine.⁹ (U)

At roughly the same time that he finished *Arabs, Oil and History*, Roosevelt applied for a position with Frank Wisner's new Office of Policy Coordination and began working as a consultant while the CIA processed his paperwork. By this point he seems to have been one of a number of American officials who concluded that US policies—and perhaps some US diplomats as well—had become entirely too friendly toward the new state of Israel. Wisner's deputy, Merritt Ruddock, received and carefully filed a letter written by a "Mrs. Kimball" discussing the attitudes of prominent Americans in Beirut in that March of 1949:

Mrs. Bowie took me for an Hour's drive and to her apartment, up five flights of stairs. Her husband, K. Roosevelt, Sands—all [American] Legation people there. [Stephen] Penrose came here for supper with me and all cocktailing in the bar with the Roosevelts. Met a Frenchman of the Peace Commission trying to settle things with Israel—Lebanon, etc. Jews won't sign anything, want everything. Everybody is mad and exhausted with them. They laid waste one village—women, men, children a la [L]jidice only bigger and it has never been in the newspapers. No one understands why the Jews are given an Embassy—indeed everything just so Arabs are insulted. [James G.] McDonald is now Ambassador and so pro-Jew he allowed the CIA man who was on the track of

⁹For the Truman administration's debates over Israel, see Harry S Truman, *Memoirs*, Volume 2, *Years of Trial and Hope* (Garden City, NY: Doubleday, 1956), pp. 149-165; Clark Clifford, *Counsel to the President: A Memoir* (New York: Random House, 1991), pp. 3-25. (U)

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Russian spies to be recalled. All of this I get from Steve. I asked him to write all he could to Wiz or Merritt, it will be the truth told better than I can tell it secondhand [spelling and punctuation in original].¹⁰ (U)

Soon after this meeting in Beirut, Kermit Roosevelt proposed an OPC psychological warfare project to exacerbate "the fundamental conflict between the world of Islam and Soviet Communism." Roosevelt's idea resembled Lt. Col. Hoskins' plan of 1943, with Communism substituted for fascism as the alien ideology supposedly on the verge of gaining new adherents in the Near East. 25x1
25x1

25x1 Some-
one in OPC wrote up Roosevelt's idea 25x1 but nothing
was done to implement it.¹² (S)

Roosevelt himself modified the plan after he joined OPC full-time in November 1949. The following April he drafted another proposal for an 25X1 a program of action breathtaking in its scope and ambitiousness. With some well-placed agents and timely propaganda, Roosevelt argued, OPC could exploit the "latent religious fervor of the Orient" and convince people from North Africa to Japan that their prophets and holy men had seen anti-Communist visions and portents. "The atmosphere is right for a new revelation," one that could unite the peoples of the East, perhaps even under a combined leadership, in a common struggle against atheistic Communism. OPC could set this plan in motion by creating a small steering group 25X1

25X1 for detailed information on Eastern doctrines and customs. Scouts would find and recruit "live talent" in the field, the OPC-inspired

¹⁰"Extracts from letters from Mrs. Kimball," 24 March 1949, Information Management Staff Job 78-04938R, box 1, folder 1 (Unclassified). Mrs. Kimball may well have been Hazel Monona Kimball, wife of the Department of State's Assistant Secretary for Administration Arthur A. Kimball. Stephen Penrose had moved on from OSS to serve as President of the American University of Beirut. (S)

visions would begin to come, propaganda operations would promote the strange "signs," and soon a wave of imitators would surge forward to confirm the new revelation.¹³ (U)

With Frank Wisner's apparently puzzled endorsement, Roosevelt's newly created Near East and Africa Division (NEA) set to work on [redacted]

[redacted] but progress was slow.¹⁴ Roosevelt noted in October 1950 that any project of such magnitude had to proceed carefully, adding that NEA had taken only preliminary steps toward "the creation of an Islamic cultural organization for cover purposes."¹⁵ This interim step would become the American Friends of the Middle East: in February 1951 NEA resolved to concentrate first on Islamic anti-Communism, waiting until later to apply the lessons learned to similar projects among the other Eastern faiths.¹⁶ (S)

Additional impetus soon came from the White House in the form of NSC 47/5 (approved by President Truman on 17 March 1951), which proposed to reverse the regional trend toward neutralism by strengthening several Arab states (and Israel) to make them more resistant to Soviet designs. NSC 47/5 did not mention covert action as such, but it did call for an expanded and intensified psychological effort. OPC planners understood this to apply to themselves.¹⁷ (S)

Early in 1951 NEA began organizing "a committee of persons interested in the cultural and spiritual aspects of Middle Eastern affairs."

The committee would serve as the 25X1

25X1

Roosevelt soon

reunited his team 25X1

25X1

joined by journalist and pundit Dorothy Thompson, who had recently returned from a tour of the Middle East

25X1

25X1 The NSC gave a similarly general endorsement in NSC 29/1 the next year; see "United States Objectives and Policies with respect to the Arab States and Israel," 24 April 1952, in Department of State, *Foreign Relations of the United States, Volume IX, The Near and Middle East, Part I* (Washington: Government Printing Office, 1986), p. 224. (Unclassified) (S)

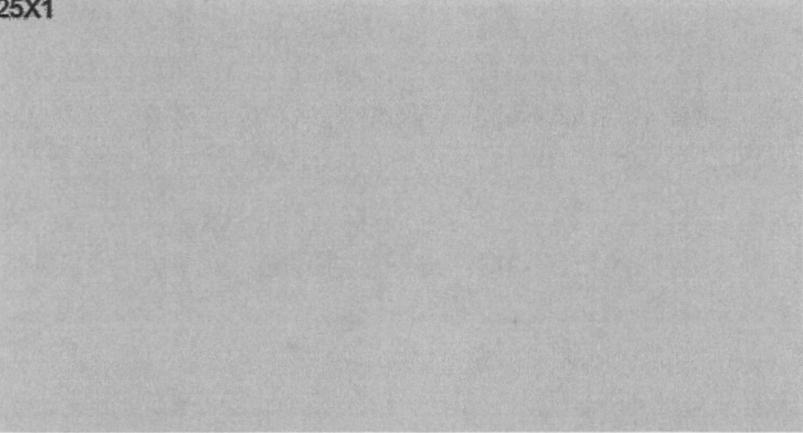
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(underwritten by the Department of State). Thompson had advised OSS chief William Donovan on Germany during the war, and in 1946 she became interested in the Palestine issue. She applied the same gritty independence to this controversy that she employed in all of her writings on world affairs, refusing to back away from controversy even after the *New York Post* dropped her "On the Record" column because of her opposition to Zionism.¹⁹ (S)

In May 1951, [REDACTED] Thompson hosted a meeting of Middle East experts in her New York City apartment.²⁰ Most of those present signed on to become charter members of a new, nonprofit organization to be called the American Friends of the Middle East. 25X1

25X1

25X1 Full-page ads in the *New York Times* and *Herald Tribune*
25X1 soon announced the group's formation and solicited
new members. (S)
25X1

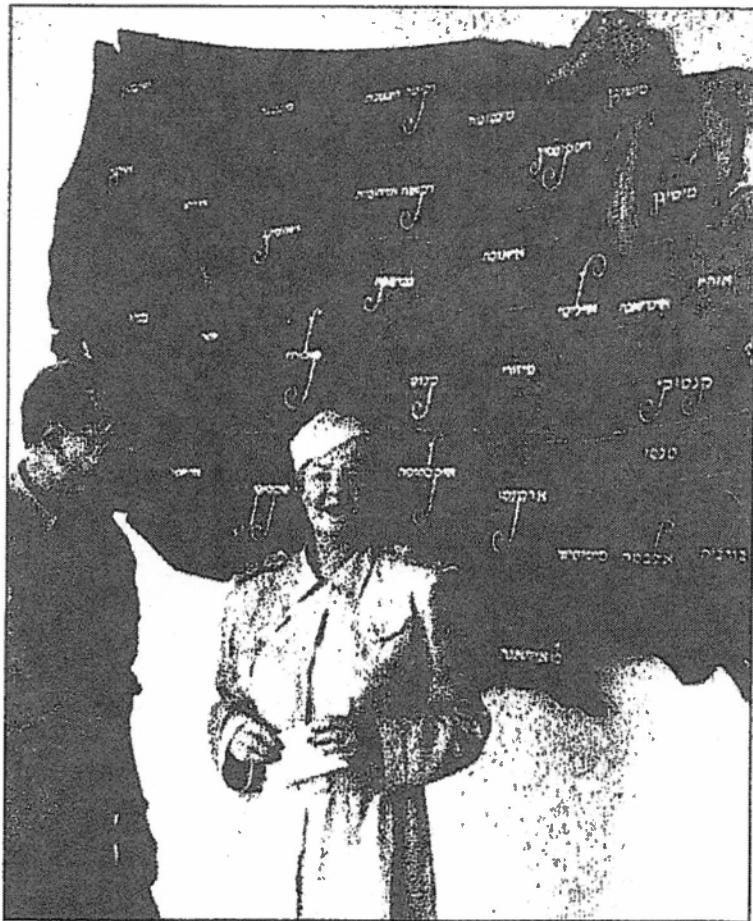


According to the ZRTINDER project proposal, no American groups in the region were opposing the Communists or presenting the United States in a favorable light. NEA wanted to convince Islam of the need for ecumenical unity against Communism, and to foster "a broader understanding among the American public of the importance of the area and of its

¹⁹Peter Kurth, *American Cassandra: The Life of Dorothy Thompson* (Boston: Little, Brown & Co., 1990), pp. 331, 359, 382-385. Marion K. Sanders, *Dorothy Thompson: A Legend in Her Time* (Boston: Houghton Mifflin, 1973), p. 335. (U)

25X1





Columnist Dorothy Thompson was one of AFME's most prominent early members. (U)

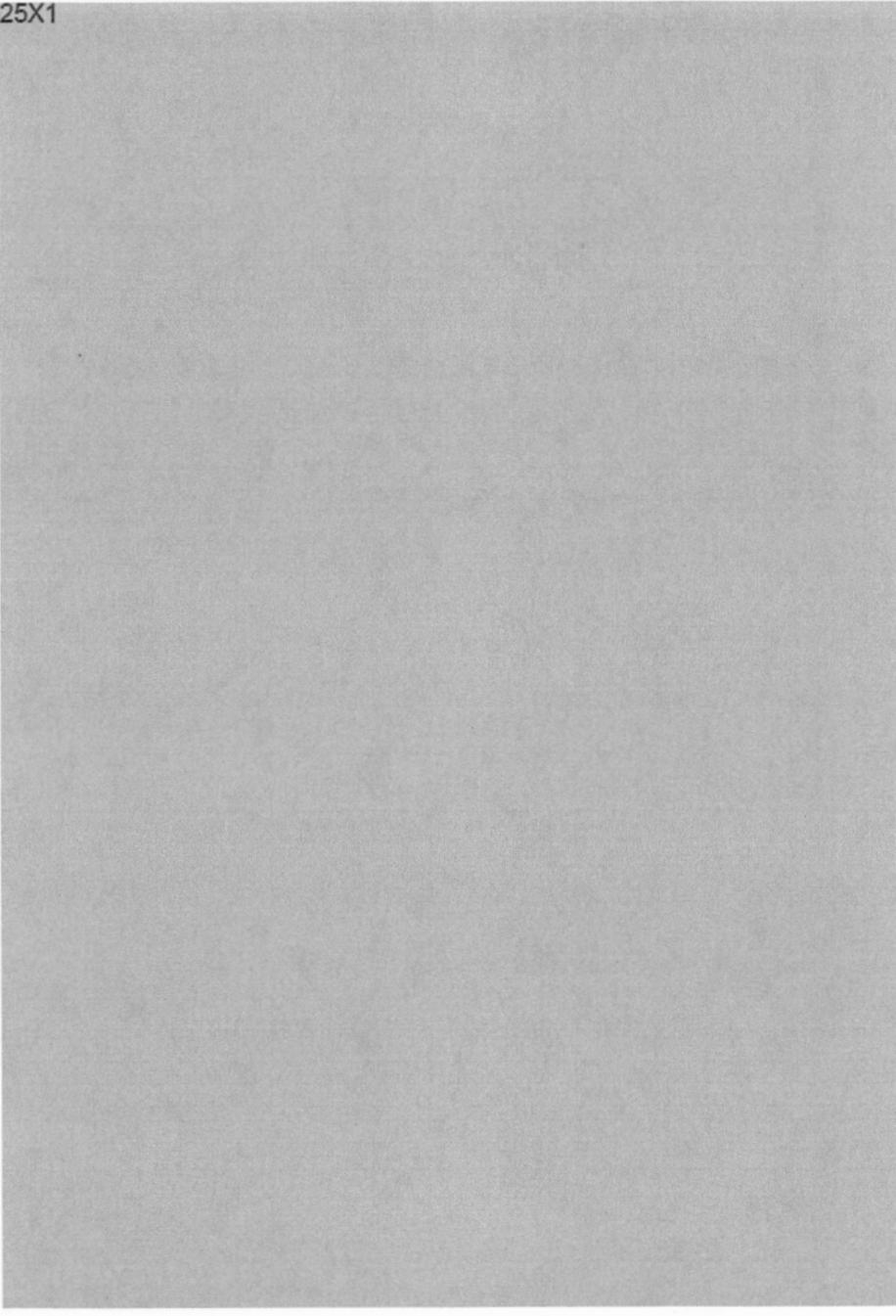
spiritual and cultural values." AFME would pass itself off as a private, non-profit organization dedicated to demonstrating the interest and friendliness of America and its people.^{25X1}

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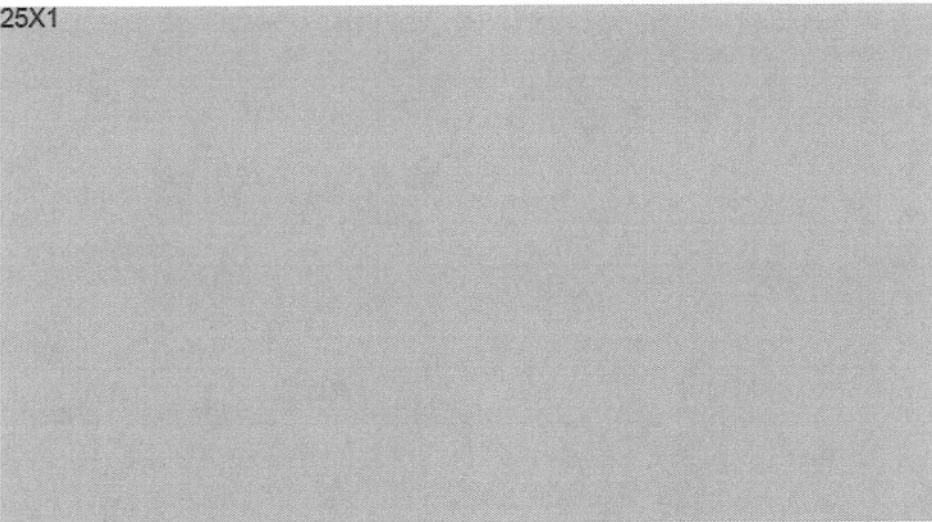
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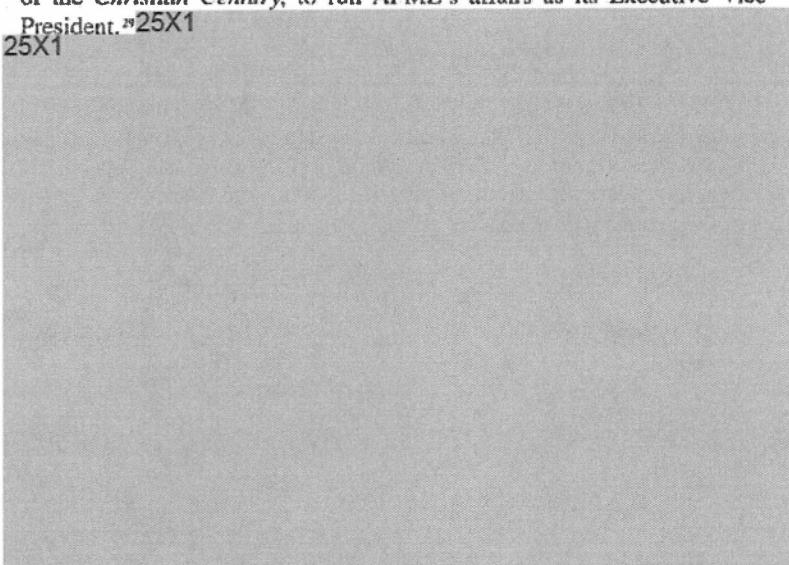
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25X1**AFME's Early Years (6)**

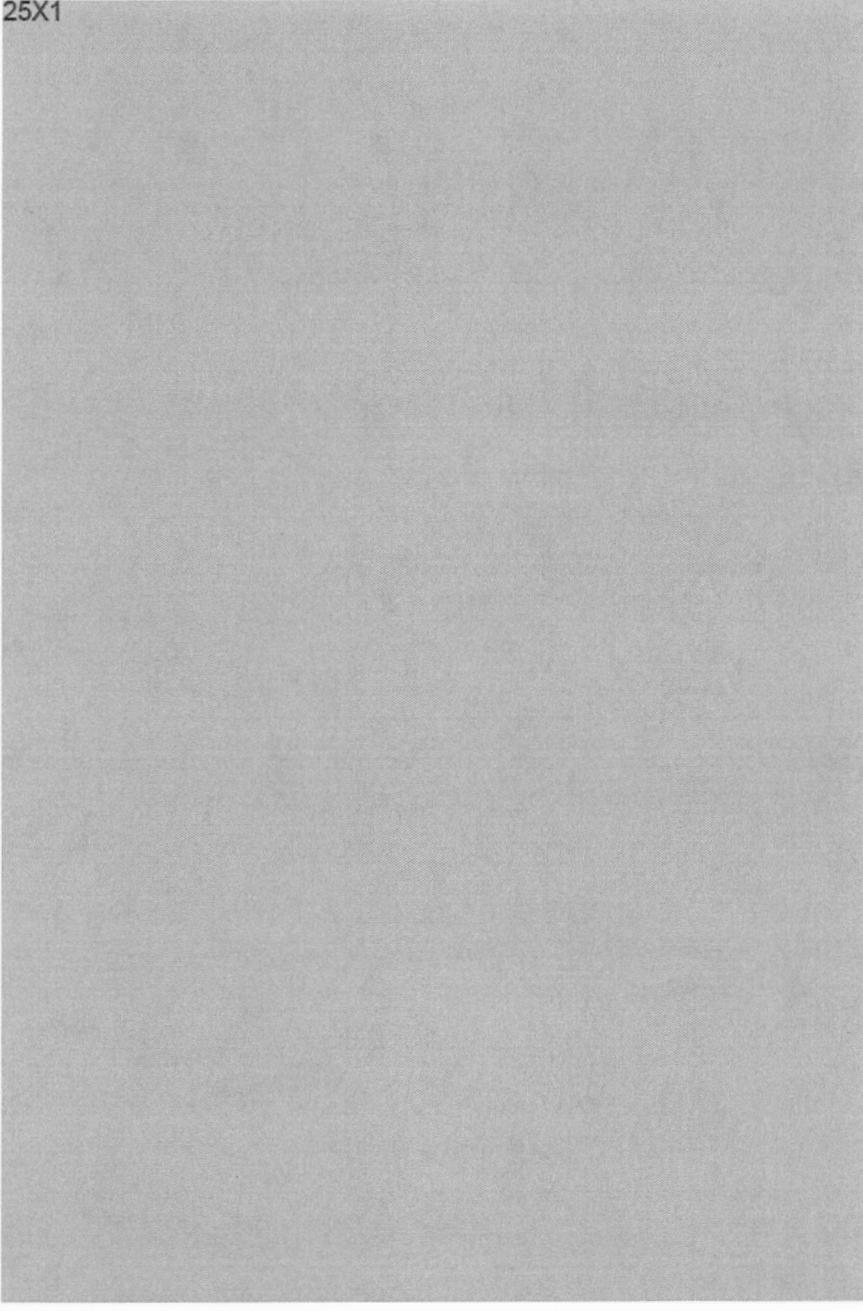
By the end of 1951, the American Friends of the Middle East was off and running. AFME opened its New York headquarters on East 57th Street with Dorothy Thompson as President. She soon hired Kermit Roosevelt's friend Garland Hopkins, who had become an associate editor of the *Christian Century*, to run AFME's affairs as its Executive Vice President.^{25X1}

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Clergyman and writer Garland Evans Hopkins brought energy and controversy to AFME. (v)

25X1

AFME's Executive Vice President, Garland Hopkins, the chance to make a name for his young organization. Energetic and enthusiastic, Hopkins constantly suggested plans and initiatives to AFME's board [redacted]

25X1 He had long taken a partisan line on the Palestine issue, convincing officials in the United States and Israel that his sympathies lay with the Arabs.^{* (S)}

Under Hopkins's direction, AFME undertook a bewildering variety of activities, many of them dedicated to enhancing understanding between Christian and Muslim commentators. The organization produced pamphlets and films; sent prominent Americans and Arabs on exchange visits; opened overseas offices where it advised foreign students interested in studying in the United States; sponsored lecture tours,

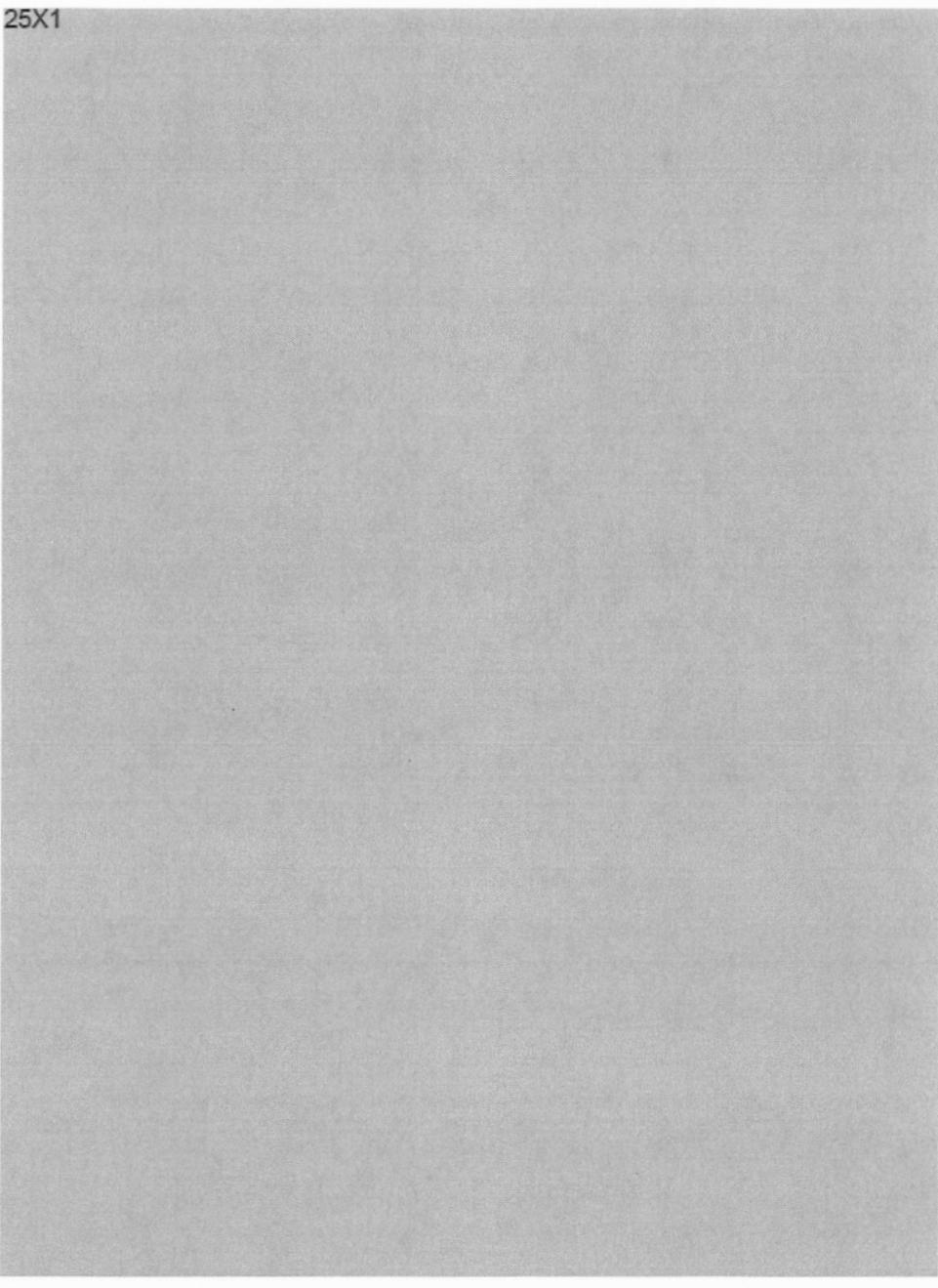
*US Embassy Tel Aviv cable 140, 7 June 1949. (S)

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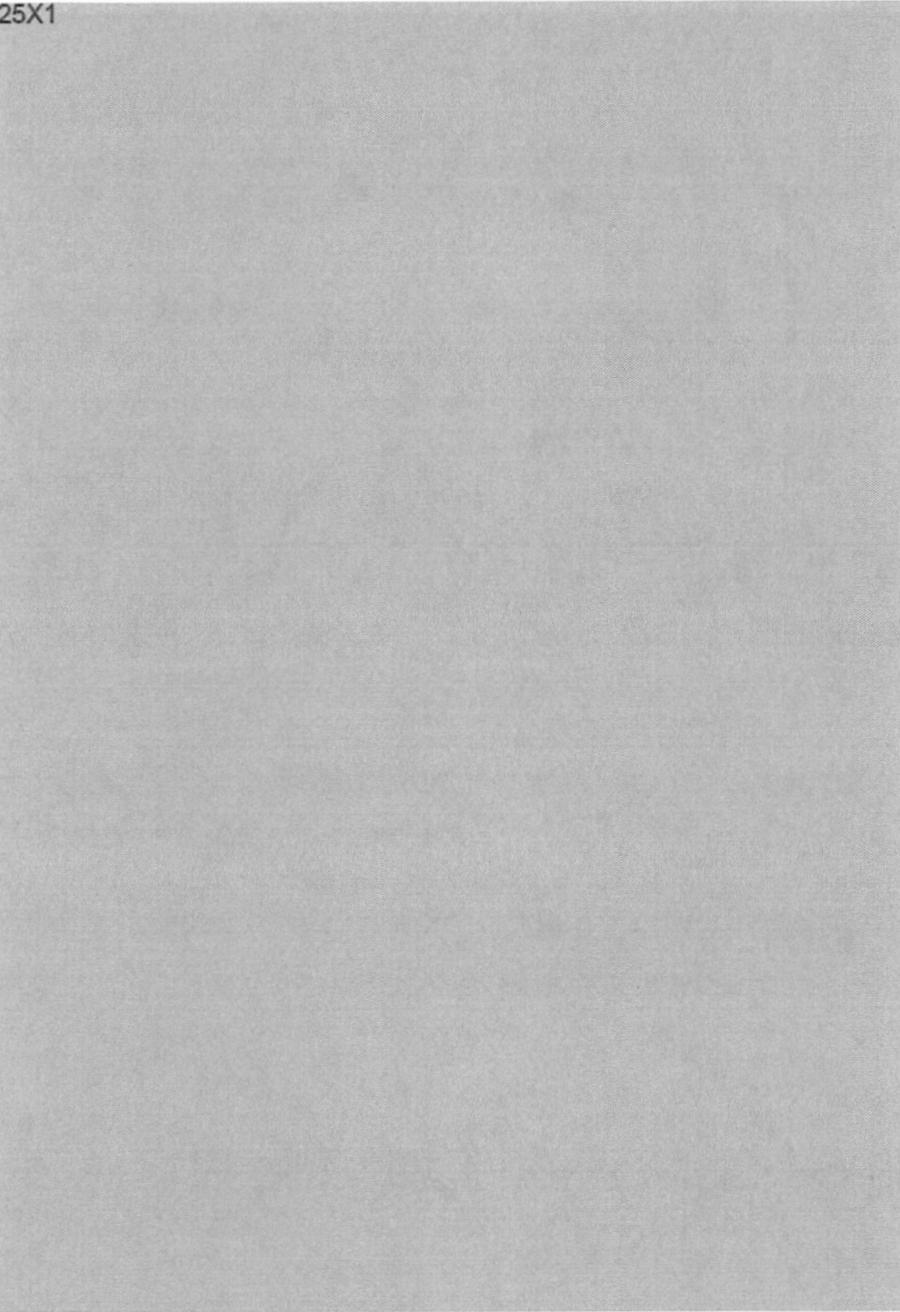
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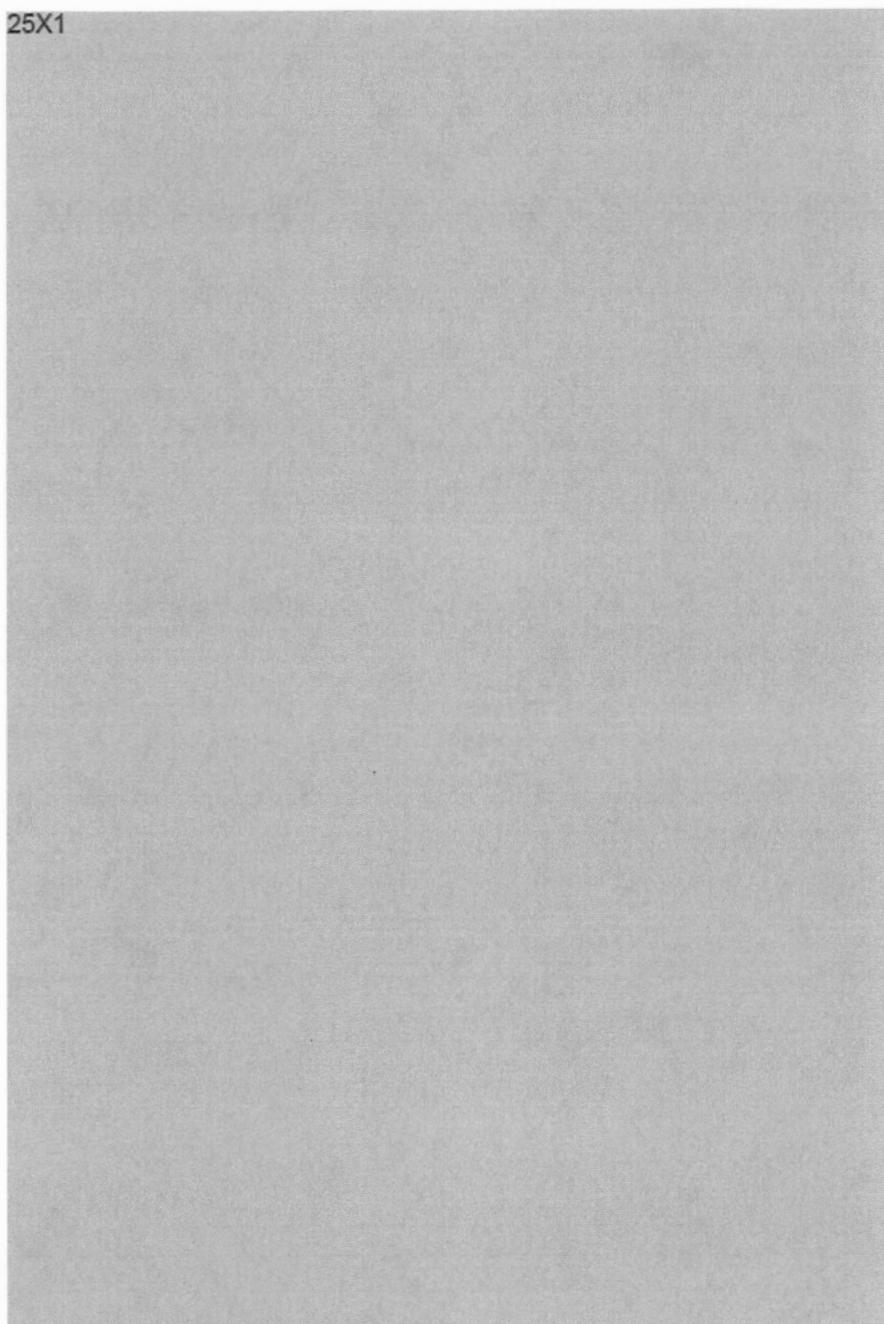
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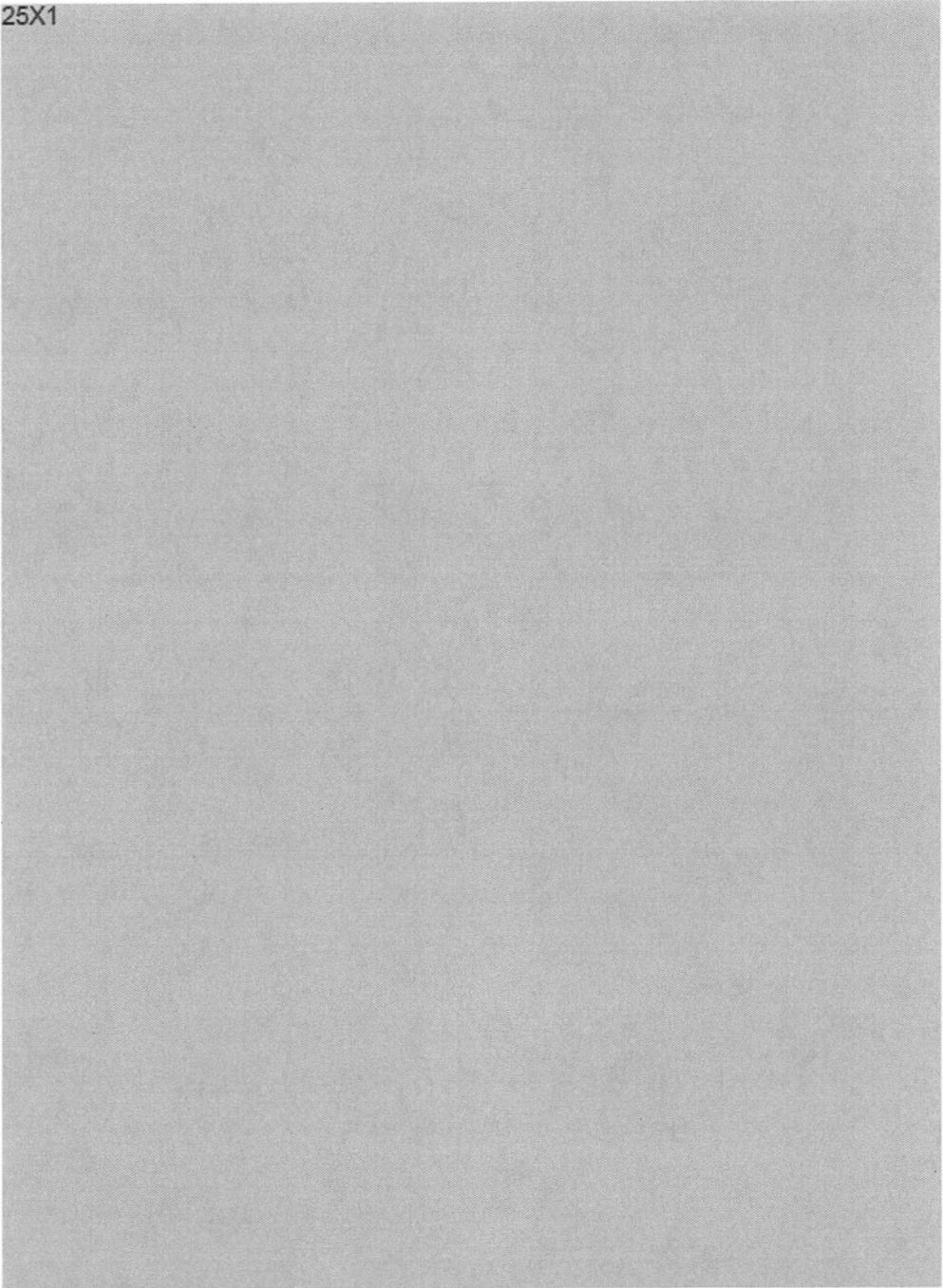
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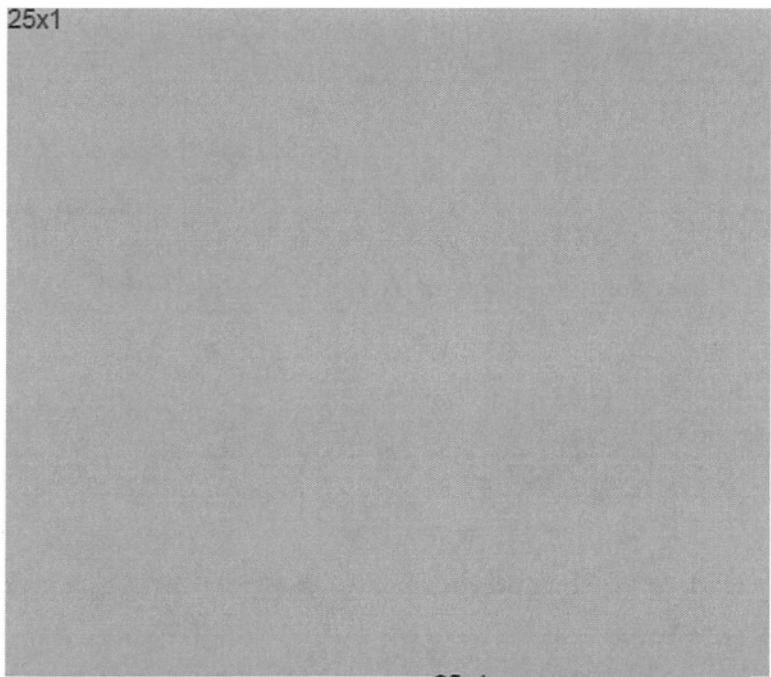


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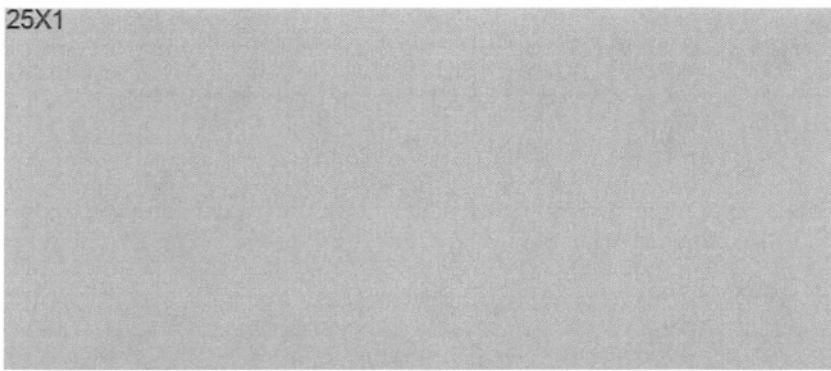
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25x1



An even more dangerous problem, 25x1
was Hopkins's eagerness to comment on the Arab-Israeli dispute. His statements typically decried the favoritism that he perceived in media treatment of Israel, while applying a double standard of his own. For instance, Hopkins applauded the Department of State's proposal to sell arms to Iraq in 1955; the following year he opposed an arms sale to Israel. An admirer of Egyptian strongman Gamal Abdel Nasser, Hopkins

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Egypt's strongman Gamal Abdel Nasser. (U)

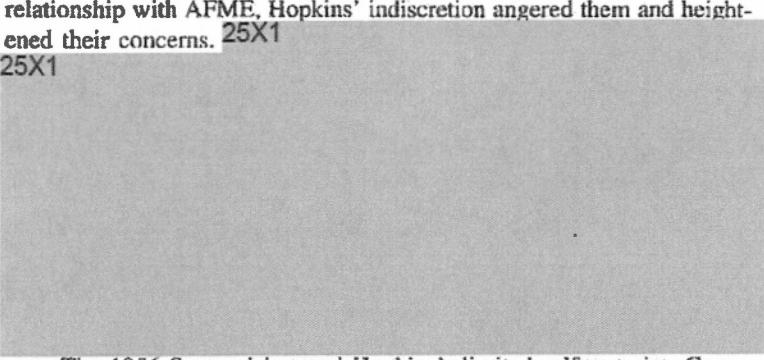
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also told the *New York Times* that it was cynical to criticize Nasser's purchase of Eastern-Bloc weapons while ignoring Israel's alleged shopping behind the Iron Curtain. Inevitably, AFME's own statements became difficult to distinguish from the personal views of its executive vice president.⁵⁶ ~~57~~

*I.L. Kenen, "Arab Propaganda: Line and Apparatus," *Near East Report*, October 1964, pp. 15-19. "US Unit Aiding Kibya," *New York Times*, 25 February 1954, p. 8. (U)

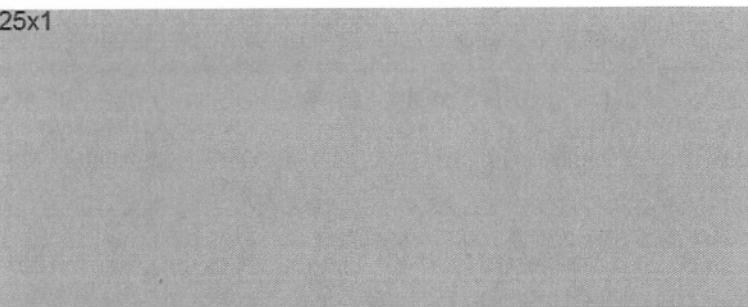
The last straw came in May 1956. Responding to an attack on the Dearborn Foundation by the newspaper *Israel Speaks*, Hopkins wrote a letter to AFME's [REDACTED] National Council that served only to draw attention to the criticism and render Dearborn more vulnerable to scrutiny. Even though Dearborn's directors had recently decided to end their relationship with AFME, Hopkins' indiscretion angered them and heightened their concerns. 25X1

25X1



The 1956 Suez crisis taxed Hopkins's limited self-restraint. Growing tension between Israel and its neighbors had prompted him to press the board of directors 25X1 to let AFME take a public stand on the dispute. 25X1 [REDACTED] the board feared the potential repercussions of such a declaration. Nevertheless, early in 1956 they approved the publication of a conspicuous advertisement in the *New York Times* and the *Washington Post* that accused Israel of seeking American arms to preserve its military superiority and urged citizens to tell their elected officials not to take sides in the region's conflict (Aramco paid for the ad). Hopkins made the same points in a mailing sent under AFME's letterhead [REDACTED] to members of Congress.⁵⁹ He acted on his own again the following September, ignoring the board's wish that he keep silent on aspects of US policy and calling Washington's pullout from the Aswan High Dam project "a mistake

25x1



equaling, if not surpassing, the decision to support the partition of Palestine." If not for America's short-sighted policies, Hopkins declared to an audience at AFME's Middle East House, Nasser and most Arabs "might now be full partners with the West in the fight to save the world from Communist domination."⁵⁰ ~~(S)~~

Not until Israel attacked Egypt in October 1956 did AFME's board formally support Hopkins; a statement signed by Dorothy Thompson and issued in the name of the directors denounced the invasion and urged the Eisenhower administration to fulfill its "clear duty" and "do everything in its power to support" Nasser's Egypt.⁵¹ Thompson soon left on a tour of the Middle East that only did more harm to AFME's reputation in the United States. She interviewed Nasser and pronounced him the handsomest man she had ever met, then dropped in on the Saudi royal family for a few days. Her critics at home took notice.⁵² ~~(S)~~

Hopkins finally left his post at the end of the year. Finding a successor proved difficult.⁵³ In December 1956, Dorothy Thompson, with her health declining and her editors at Bell Syndicate pushing her to stop being a "propagandist for the Arabs," decided to resign as well.⁵⁴ Now AFME also needed a new president. ~~[REDACTED]~~ the board retained continuity by electing director Harold Minor chairman of the board in April 1957. Minor, formerly the US Ambassador in Beirut, also served as acting president while he led a frustrating search for someone to take the latter position.⁵⁵ ~~[REDACTED]~~ Charles Hulac stepped in as executive secretary (later executive director), doing Hopkins' old job without holding the same title.⁵⁶ Hopkins himself kept a loose connection to AFME for another year, continuing to serve on its board of directors. In addition, as

⁵⁰"US Snub to Egypt Decried as Error," *New York Times*, 27 September 1956, p. 11; **25X1**

⁵¹"Israel Called Violator," *New York Times*, 1 November 1956, p. 11. (U)

⁵²Sanders, Dorothy Thompson, n. 340. Kurth, *American Cassandra*, n. 446. (U)

25X1

⁵³Kurth, *American Cassandra*, pp. 422, 446, 545. (U)

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Dorothy Thompson in Cairo, 1952. (U)

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The Board's Growing Power (U)

With Hopkins and Thompson gone. **25X1**
25x1

25x1

L0A1 The Suez crisis and the 1956 war made the United States suddenly and somewhat unexpectedly an even-more-important actor in the Middle East's complex, hair-trigger diplomacy. With no imperial past of its own in the region and comparatively few business and cultural ties, Washington needed to improve its access and influence in the Arab world. **25X1**

25x1

Indeed, at that time, AFME was perhaps the only American regional organization with broad contacts and a fair reputation among Muslims.
(S)

The lack of an alternative for reaching beyond the usual contacts of American diplomats and attaches helped AFME to survive bureaucratic scrutiny in Washington. Despite its modest achievements as a political action tool and cover mechanism, the project weathered all criticism and grew rapidly in the late 1950s and early 1960s. Between 1957 and 1960, it opened five new foreign offices, and its budget allotment almost doubled—to slightly over \$1 million.¹⁹ In addition,

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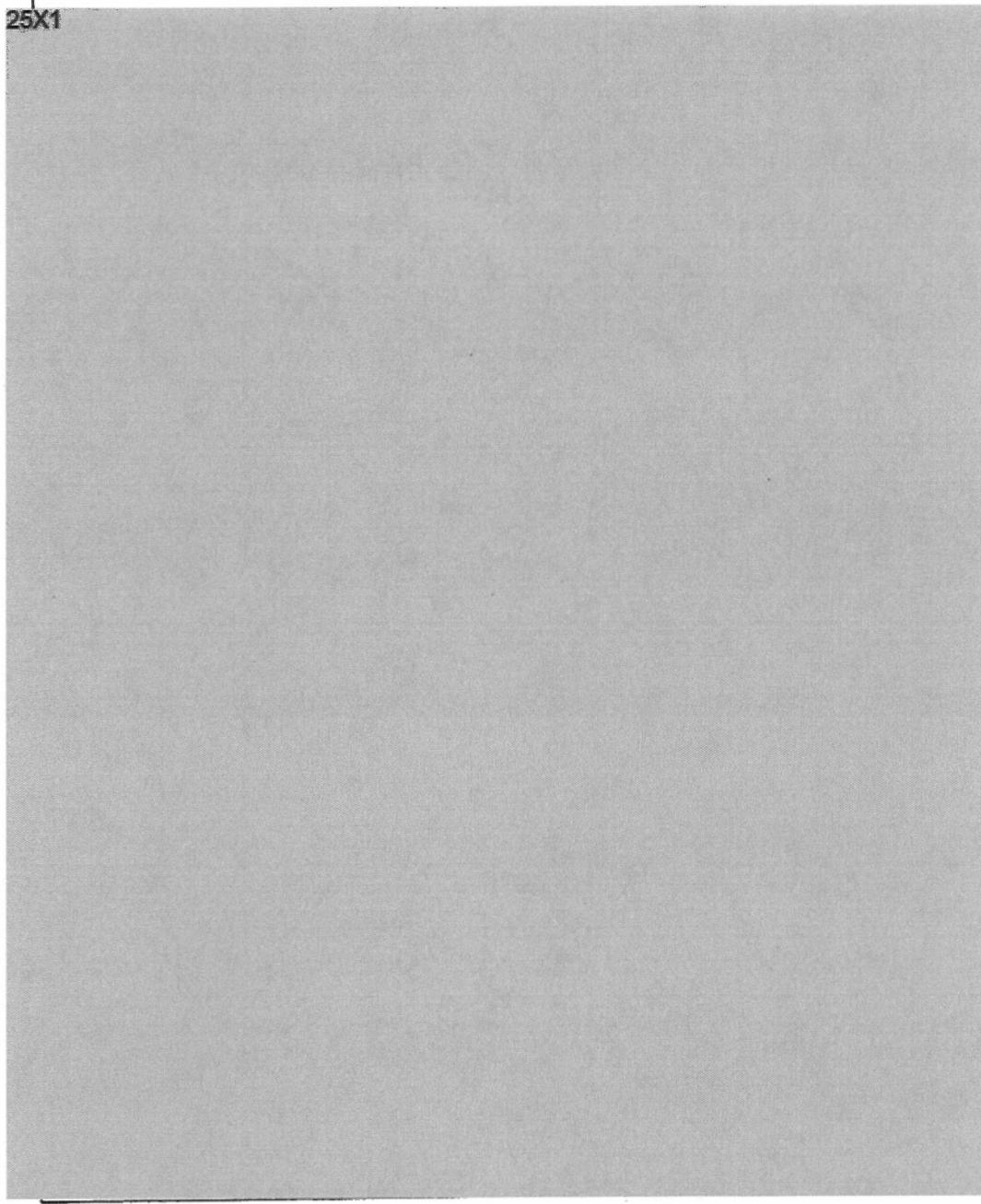
¹⁹AFME's 1959-60 Annual Report lists overseas offices in Cairo (opened 1956), Amman, East Jerusalem, Tehran (1953), Baghdad (1955), Damascus (1954), Lahore (moved from Karachi and originally opened in 1957), and Tunis. (U)

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Operational Accomplishments (U)

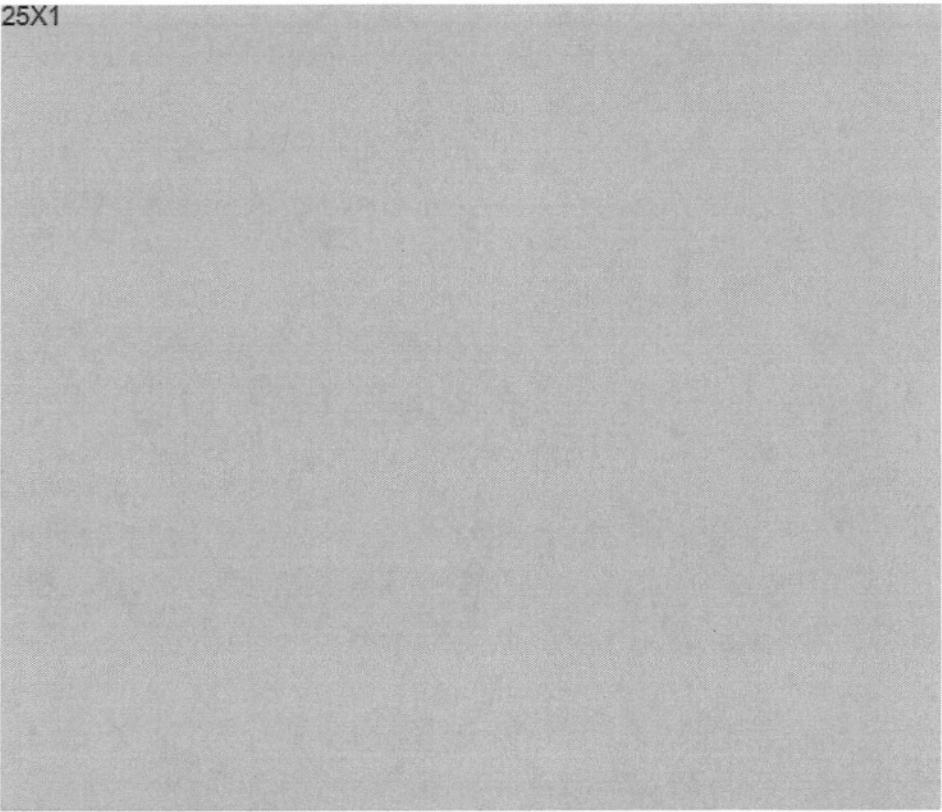
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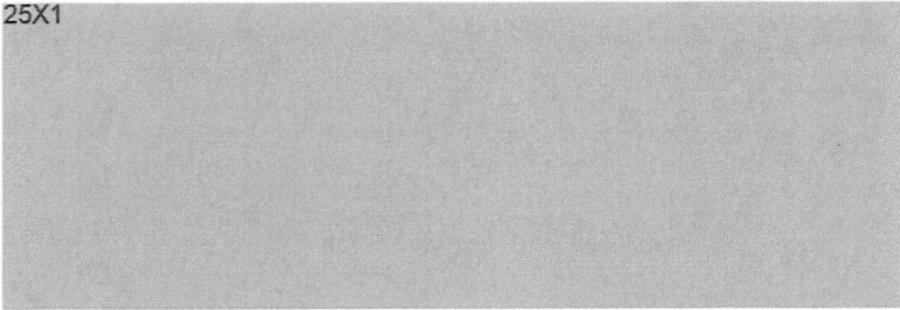
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AFME's board remained remarkably stable in its membership and outlook; several directors joined at the organization's founding and stayed on all the way to the end of the CIA-AFME relationship 16 years later. New members replacing those who had died or resigned tended to share

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their predecessors' views.²³ Kermit Roosevelt, for example, became a director after he resigned from the CIA in 1957. [REDACTED] 25X1

25x1

Chairman Harold Minor tried, without much success, to improve AFME's reputation by steering the organization toward cultural activities and away from its earlier focus on the Arab-Israeli dispute. Nevertheless, public comments by AFME's directors occasionally gave new ammunition to the organization's critics. Garland Hopkins's departure [REDACTED] but did not end the controversy over AFME's bias against Israel. In 1958, the *Jewish Advocate* labeled AFME "the most extensive pro-Arab propaganda front in America."²⁴ Minor, like Hopkins before him, believed that Arab nationalism was a product of the West's mistakes and broken promises, among them "the creation of Israel and the exaggerated support of that state." America's own arrogance, Minor explained, had "virtually lost the heart and mind of Asia."²⁵ (S)

25x1

²³In mid-1967 AFME's Board of Directors comprised Earl Bunting (chairman), Harold B. Minor, Edward L. R. Elson, Elmer Berger, Alford Carleton, Cornelius Van H. Engert, Charles R. Hulac, Edward W. Overton, Jr., and Kermit Roosevelt. Of these nine men, seven had been directors for at least eight years. Roosevelt, Engert, and Berger had been associated with the project from its beginnings in 1951. (u)

²⁴Milton Friedman, "Protestant Church Groups Pro-Arab," *Jewish Advocate*, February 1958. [REDACTED] 25X1

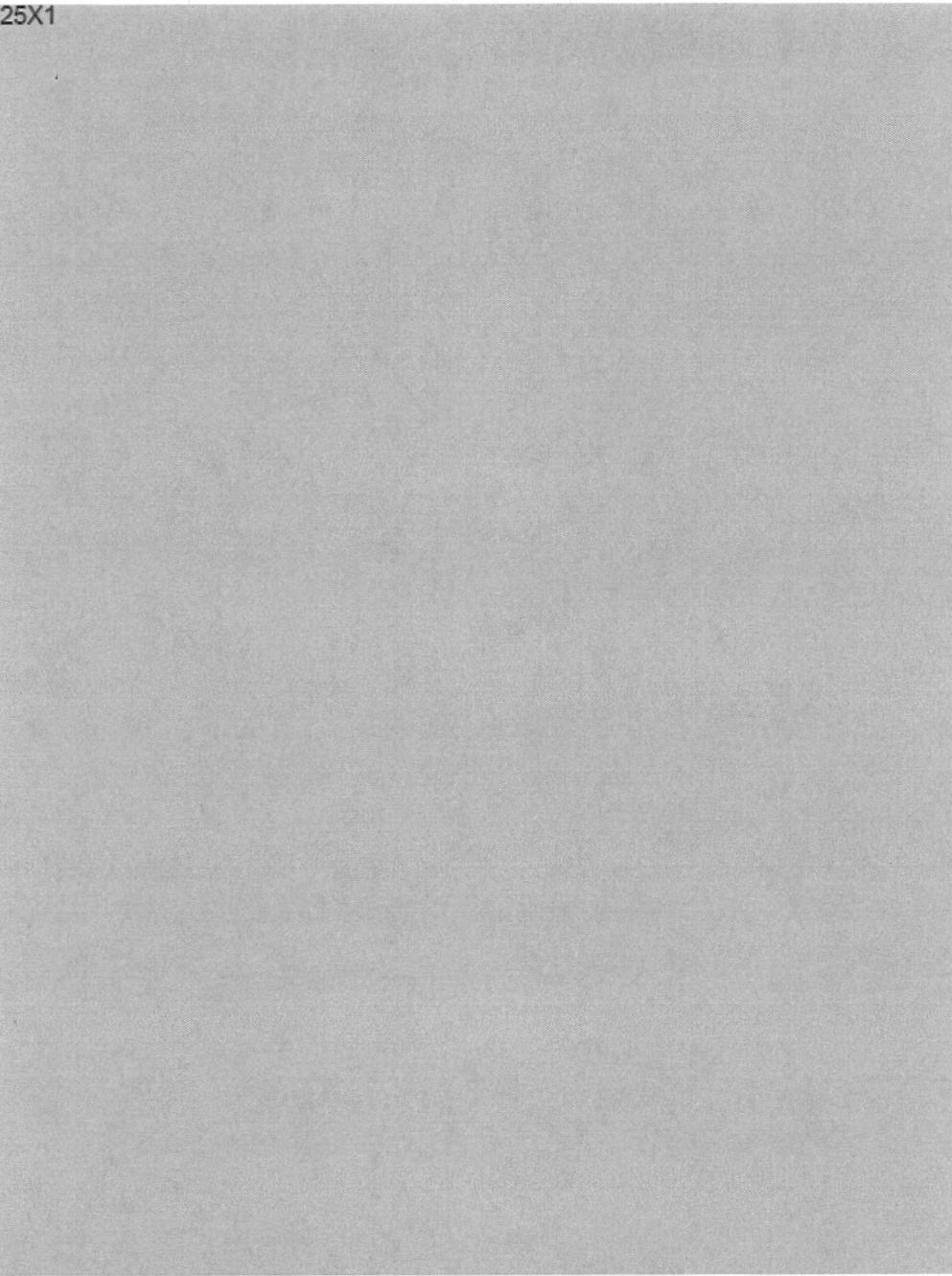
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²⁵Harold B. Minor, letter to the editor, *New York Times*, 13 February 1958, p. 28. Minor explained to G. Lewis Jones, Assistant Secretary of State for the Near East and South Asia, that the early AFME had performed a useful service in making Americans aware of the Arab side of the Palestine dispute, but he then promised that the organization would try to refrain from future commentary on the conflict. Harold B. Minor, "HBM's Conversation with G. Lewis Jones, Assistant Secretary of State for the Near East and South Asia," 19 August 1959. [REDACTED]

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25X1
25X1Edward W. Overton,^{sl}25X1
improved AFME's morale 25X1
25X1

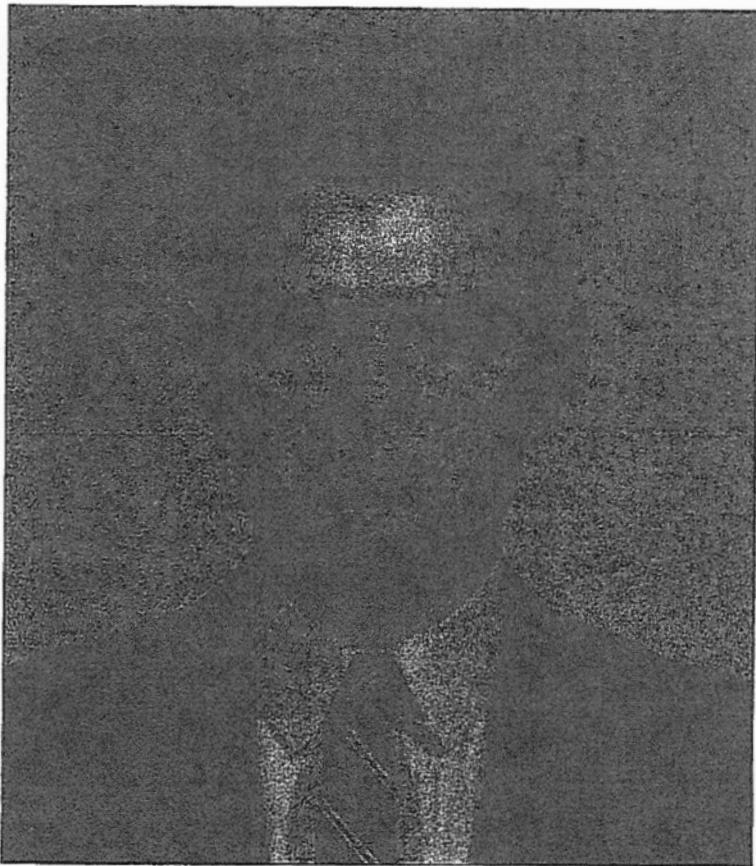
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"Overton carefully distinguished Judaism from "the tremendous world-wide pressures that are applied by international Zionism in favor of the political interests of the State of Israel." Noting that Zionism was opposed by more than a few practicing Jews—some of whom served on AFME's Board—Overton also worried that too few American Jews had pondered their own "relationship" to the political aspirations of Zionism. The issue, he suggested, had become needlessly polarizing, with Zionists playing on the mixed emotions of their co-religionists, and Arabs reacting to Zionism by scapegoating all Jews. 25X1

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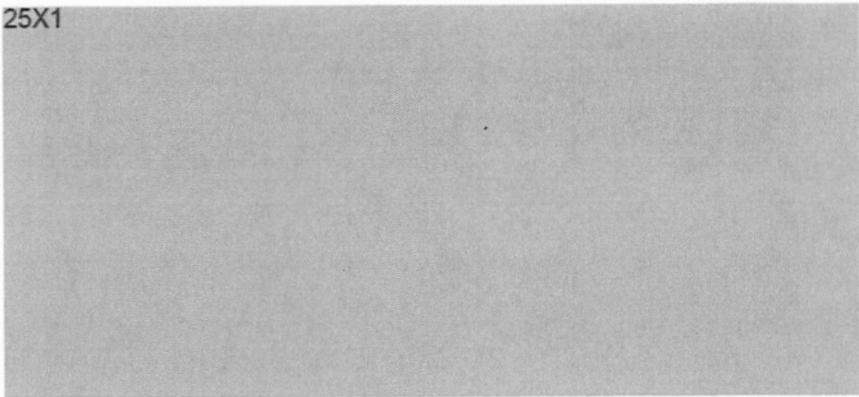
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James Critchfield, chief of CIA's Near East division. (6)

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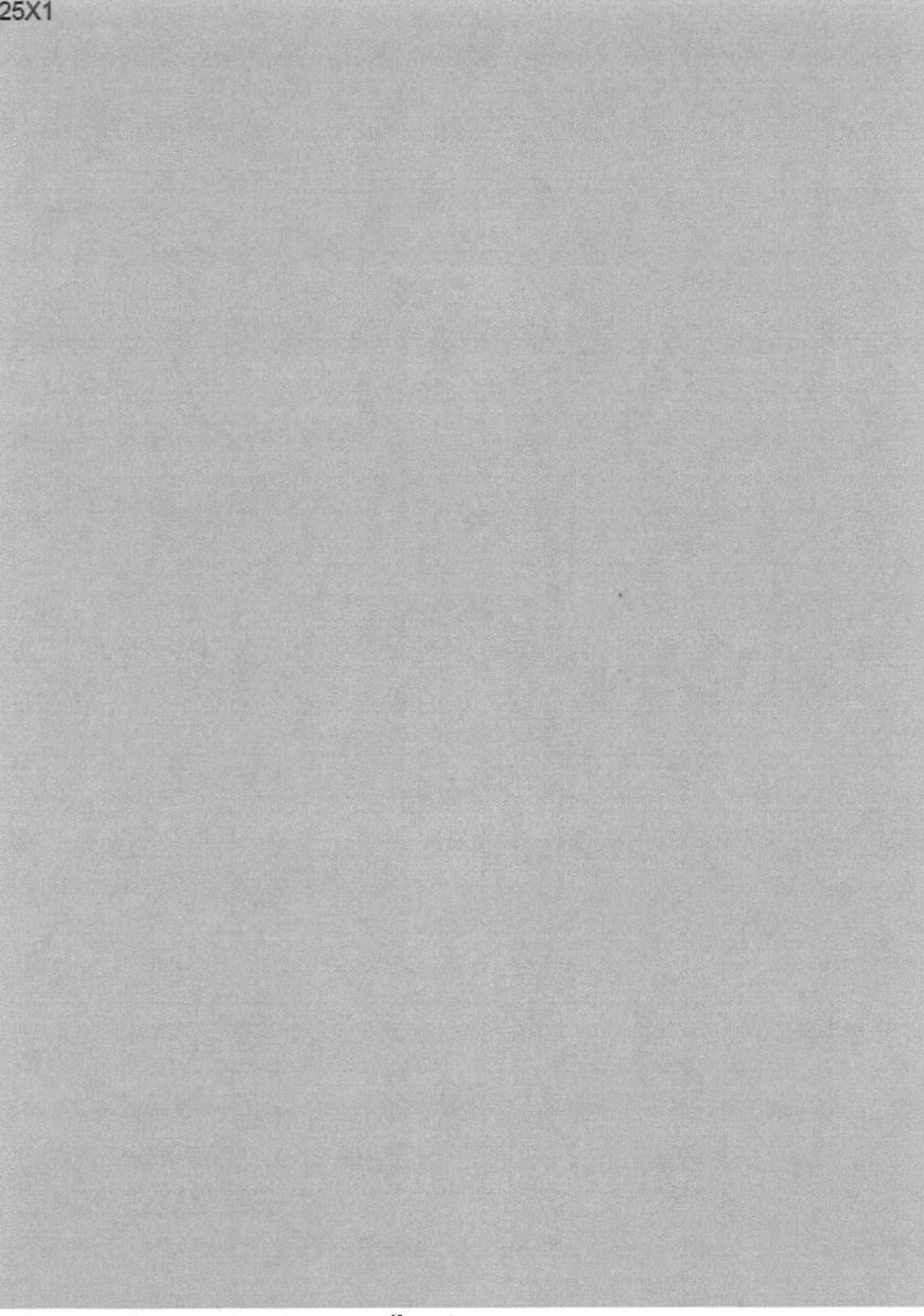
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Alford Carleton, AFME's chairman of the board. (U)

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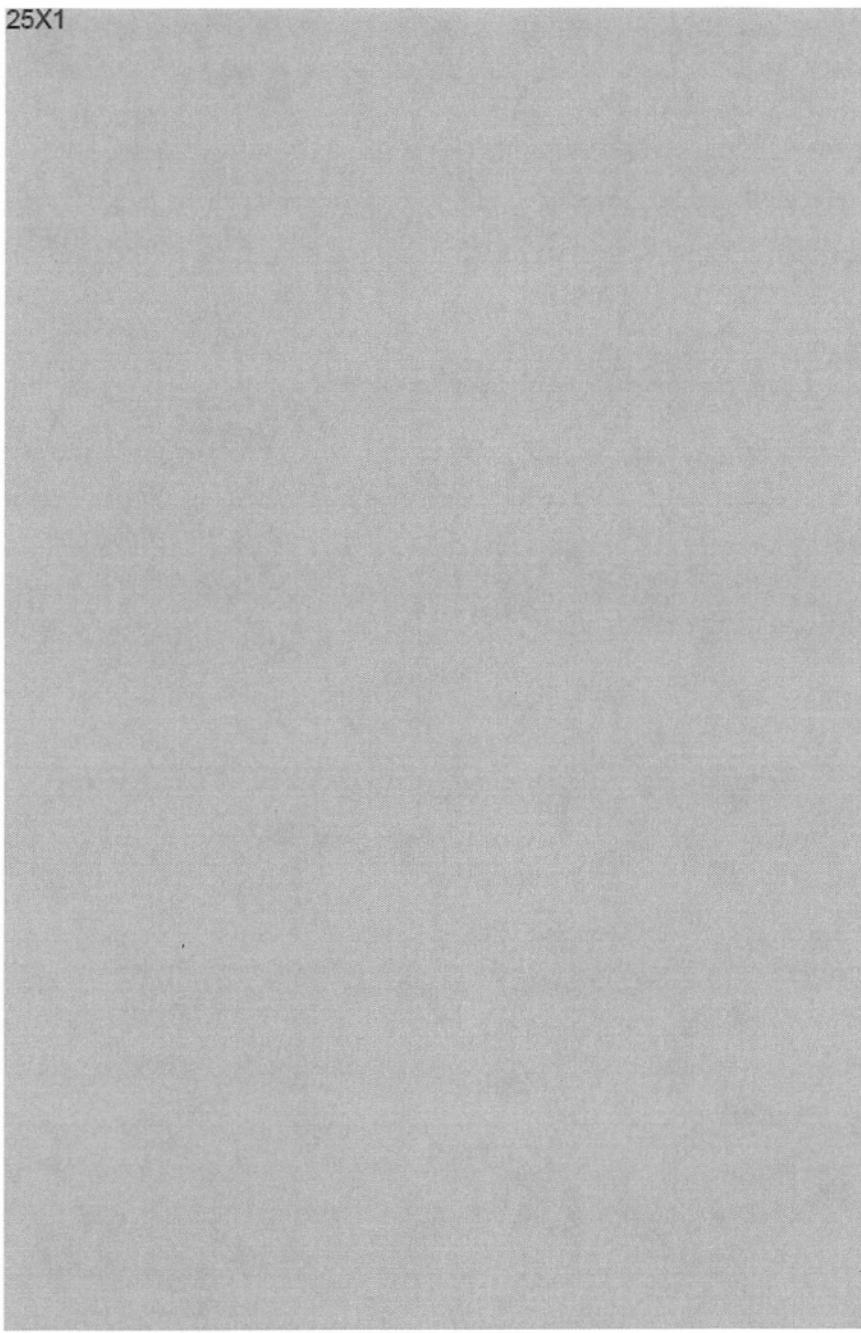
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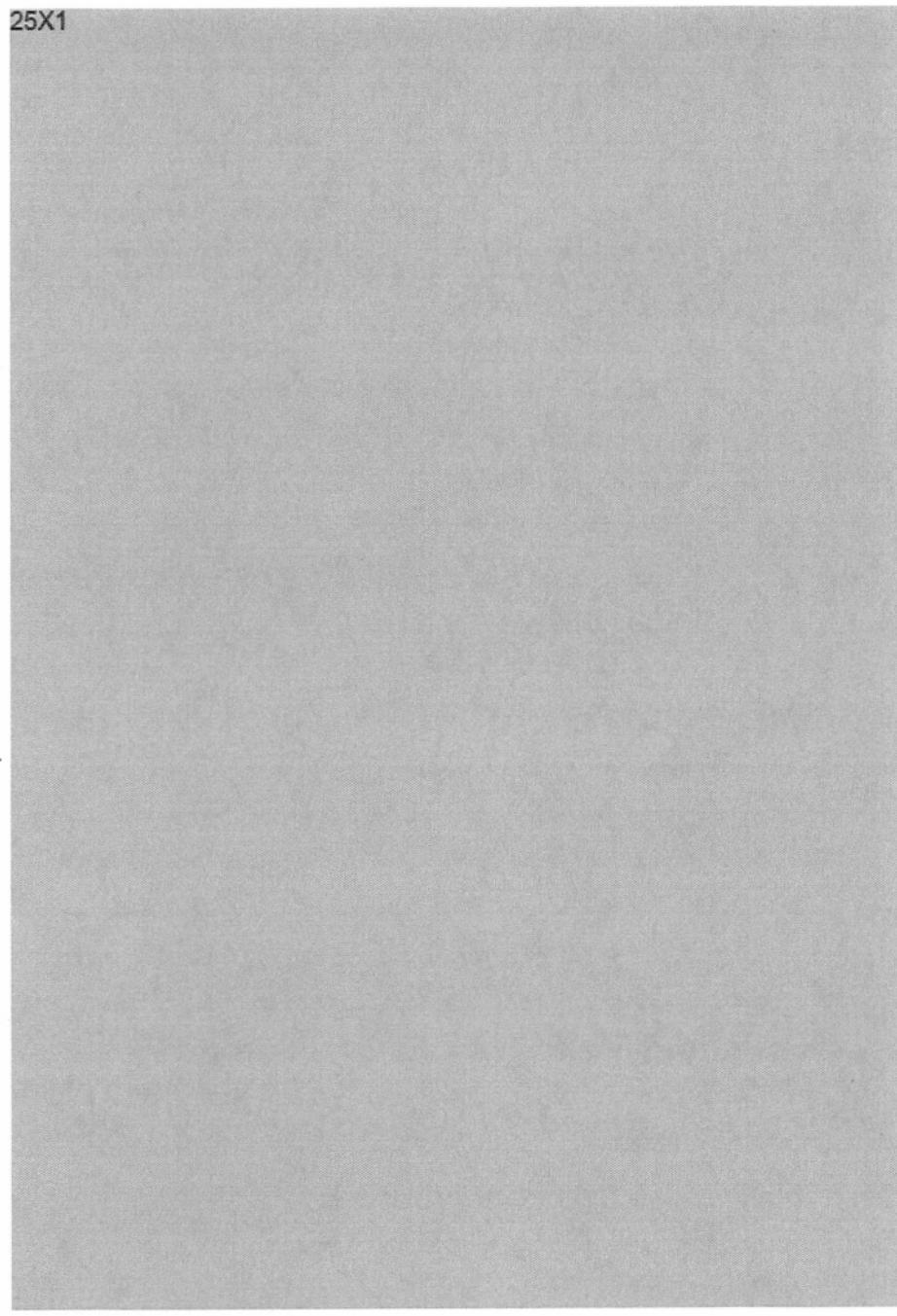
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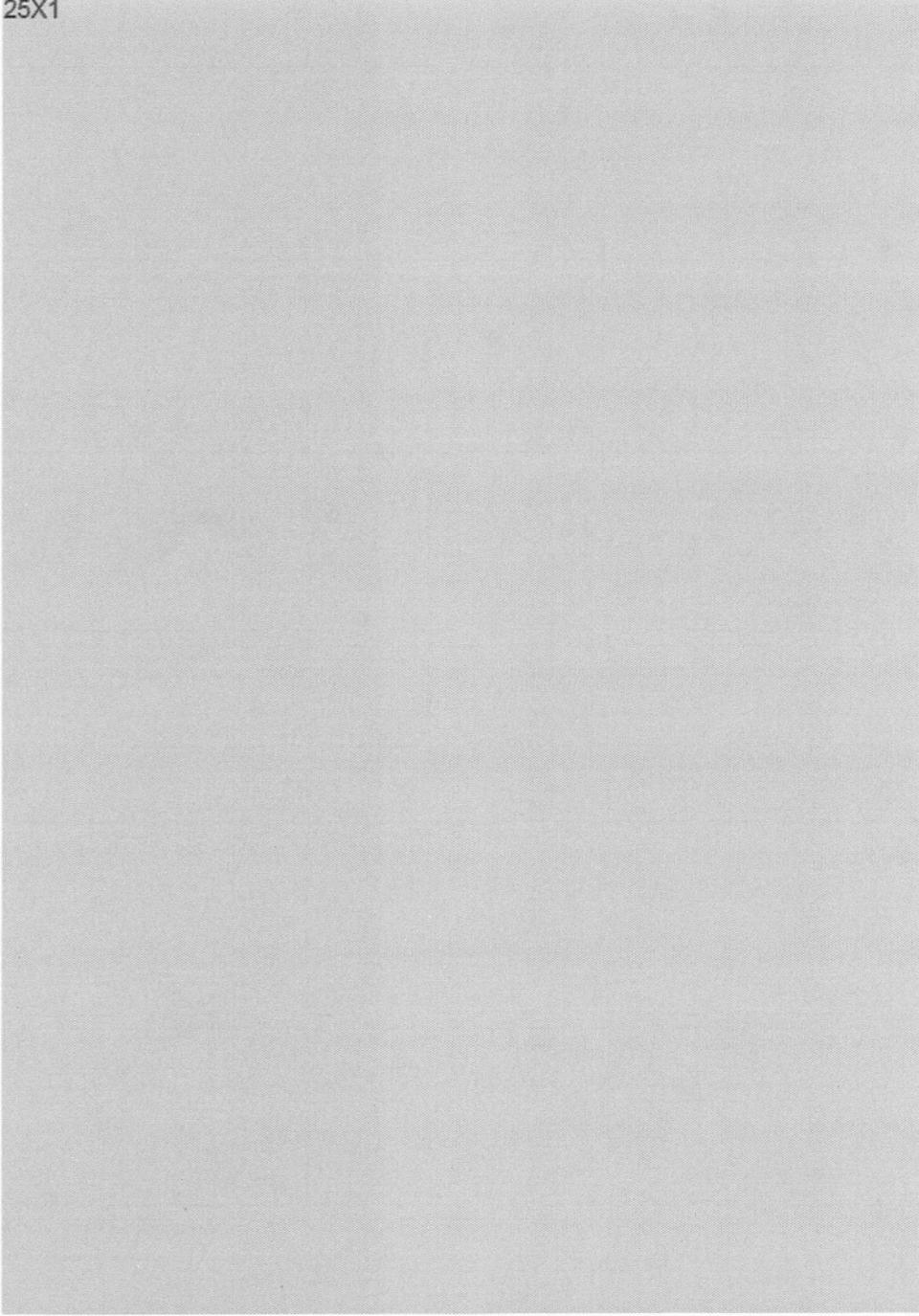
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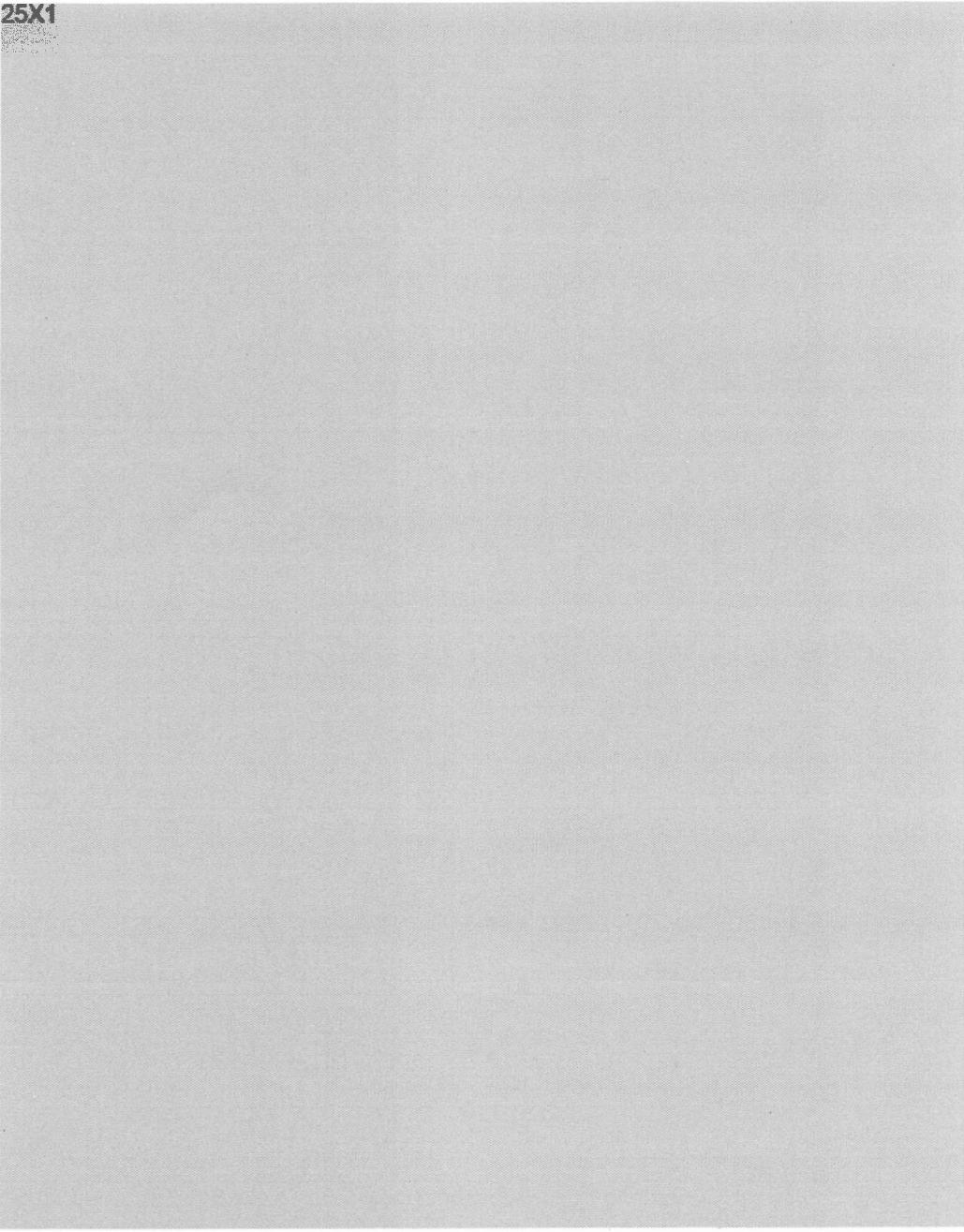
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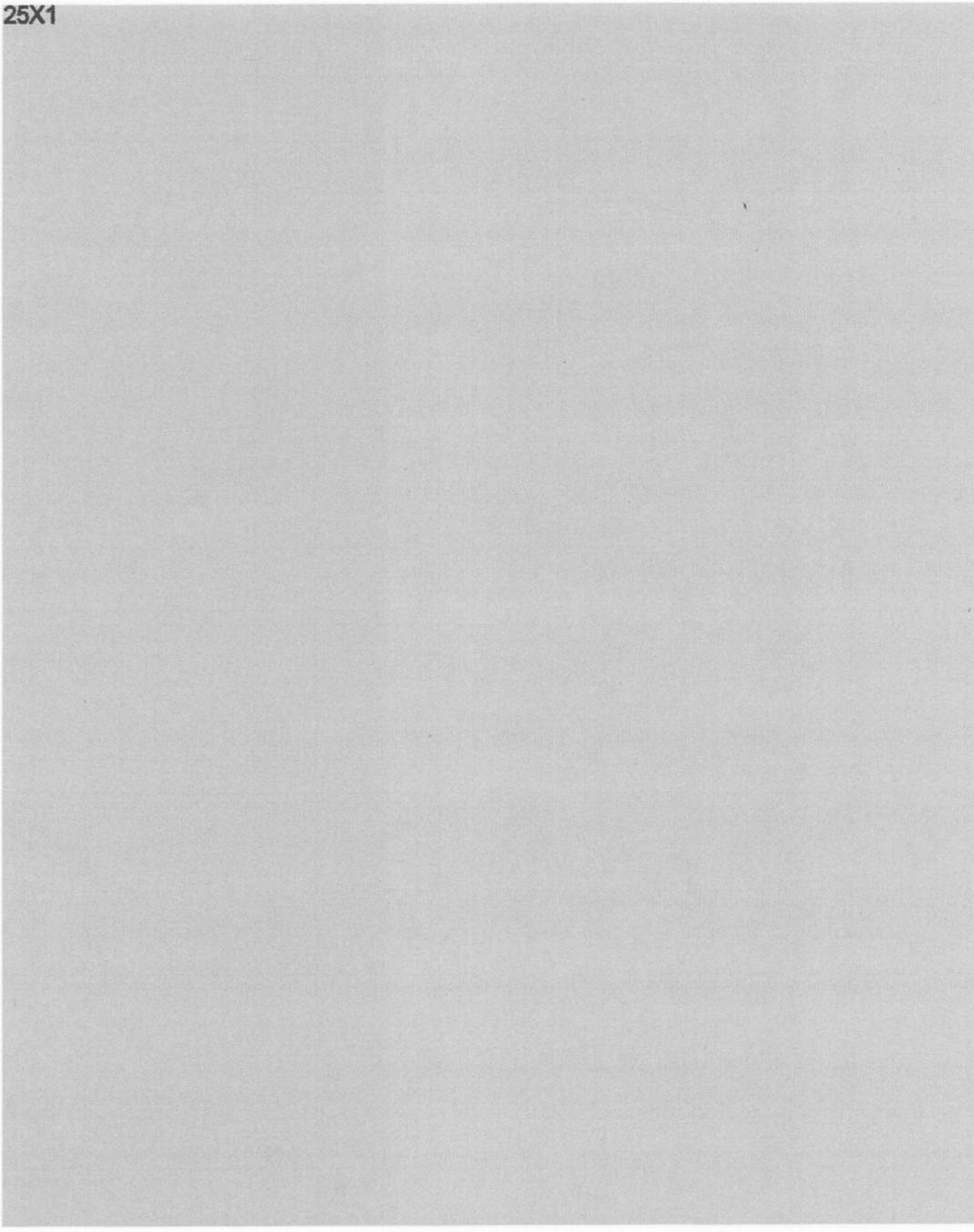
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The Reckoning (U)

How much did AFME accomplish toward promoting US interests in the Islamic world? AFME certainly enhanced America's image in the region, at least before the *Ramparts* revelations. AFME also provided an ostensibly non-governmental mechanism for aiding Arab regimes that at best were ordinarily ambivalent toward the United States. Arab leaders appreciated AFME's unique services—particularly its assistance to students hoping to study in America. In August 1959, for instance, a confidant of Egyptian President Nasser approached the American Embassy to explain that Nasser worried that Egyptian students sent to study in the Soviet Union had been subjected to political indoctrination. Nasser apparently wanted to demonstrate (for Moscow) Egypt's independent foreign policy by sending more students to the West. Could the American Government be of assistance in placing 200 Egyptian students in the United States? The Embassy cabled this request to Washington and recommended a positive response. **25X1**

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AFME almost certainly made another, less visible, contribution to US foreign policy objectives. The Egyptian Government, for instance, seems to have appreciated AFME precisely because it was suspected of being a US intelligence operation that could serve as a secure conduit for sensitive messages to Washington. **25X1**

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Egyptian officials, for example, seemed convinced that AFME's Elmo Hutchison was a CIA officer. Perhaps because Hutchison had shown himself a friend of the Palestinian Arabs

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through his writings, Egyptian suspicions about AFME's bona fides only seemed to heighten his access to high officials in Cairo.¹¹³ **25X1**
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25X1**By**

the early 1950s, according to historian Peter Hahn, Israeli officials perceived that "elements in the oil industry and the State Department conspired with Arab embassies to disseminate anti-Israeli propaganda."¹¹⁴
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¹¹³ Commander Hutchison, US Naval Reserve, had written a book about his service as an observer on the United Nations Truce Supervisory Organization in Palestine. His *Violent Truce* criticized all sides in the conflict but complained in particular about a tendency in America to "whitewash" Israeli misbehavior. Elmo H. Hutchison, *Violent Truce: A Military Observer Looks at the Arab-Israeli Conflict, 1951-1955* (New York: Devin-Adair, 1956), pp. xv-xvi. (U)

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¹¹⁴ Hahn, "The View from Jerusalem," n. 526. (U)

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Meanwhile, the old charge that AFME was a CIA front now resonated with non-Jewish commentators, even though mainstream news organizations continued to ignore it. Columnist Drew Pearson, speaking in Tel Aviv, offhandedly stated that the Agency had given AFME \$100,000 over the last two years. The *Jerusalem Post* reported a comment on this remark by Representative Thomas C. McGrath, Jr. (D-NJ), who called for an investigation. AFME did not respond to Pearson, and the story soon died.¹¹⁸ (U)

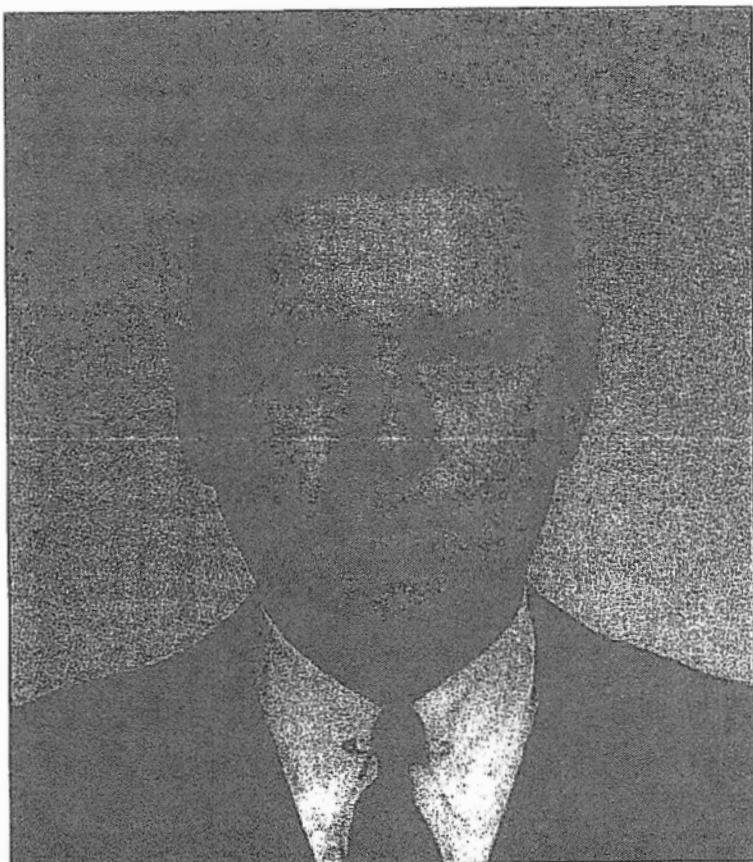
The *Nation's* Robert G. Sherrill struck the next blow in May 1966, reporting on the findings of the Washington-based Group Research, Inc., which had scrutinized the "Patman Eight's" IRS records and surmised that the CIA had indeed channeled \$100,000 to AFME.¹¹⁹ Whereas Drew Pearson had added little to what I.L. Kencen and the *Near East Report* alleged in 1964, Sherrill published credible evidence that the CIA had used legitimate foundations as cutouts for its subvention of AFME.¹²⁰ The trail leading from AFME back to the CIA was becoming ever easier to follow; 25X1
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¹¹⁸ Robert G. Sherrill, "Foundation Pipe Lines: The Beneficent CIA," *Nation*, 9 May 1966, pp. 544, 556. (U)

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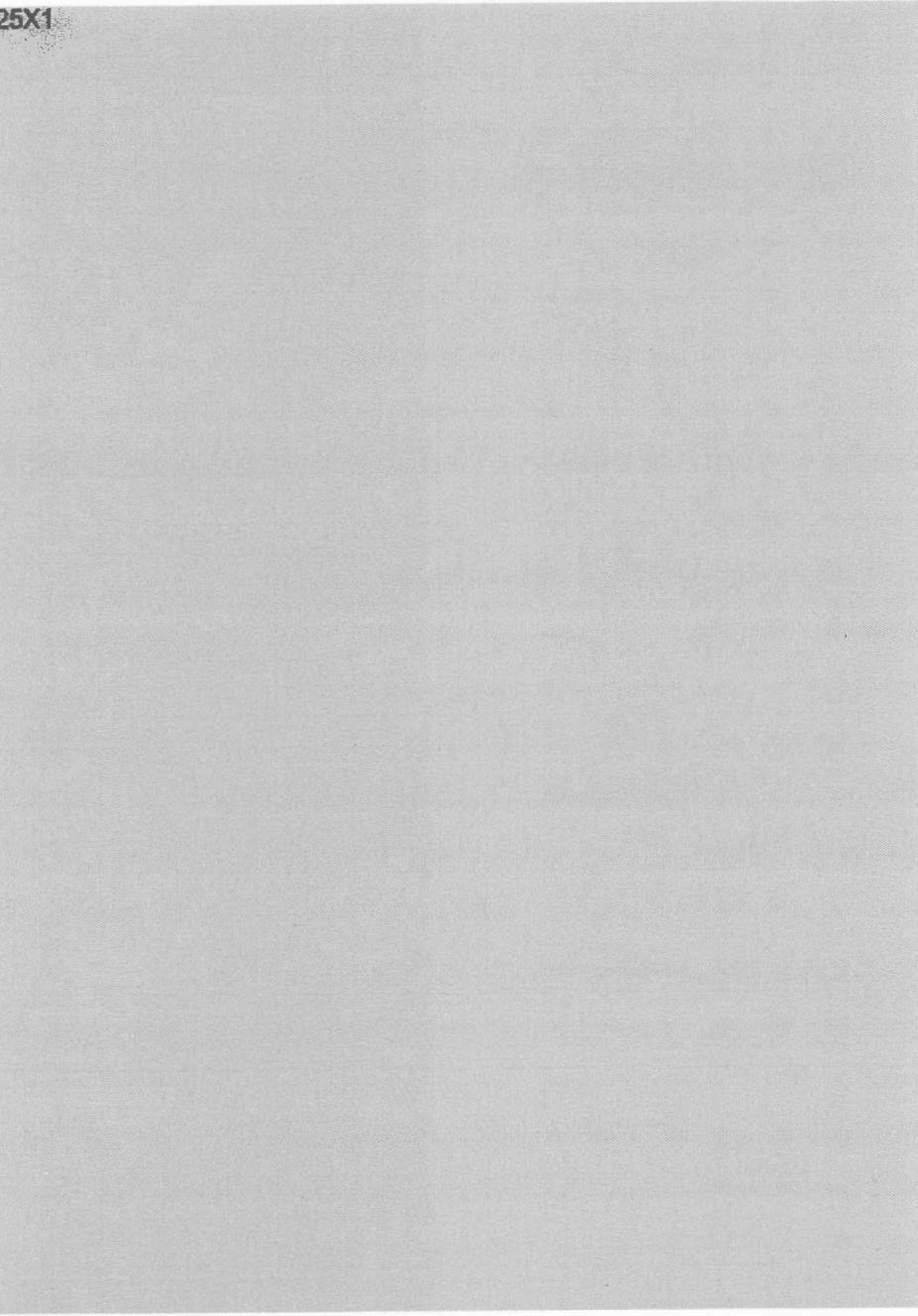
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The storm generated by *Ramparts* magazine's famous exposé of the National Student Association damaged AFME as well. On 17 February the *New York Times* disclosed that AFME had received funds from two more CIA cutouts (the Hobby Foundation and the J. Frederick Brown Foundation). Pressed for comment by the *Times'* Neil Sheehan, Overton theatrically responded, "God, no!" when asked if he knew the Brown Foundation was a CIA conduit.¹²⁵ Chairman of the Board Earl Bunting issued yet another press release dismissing the charges as old news, and hoped that this storm, like previous ones, would soon blow over.¹²⁶ By now, however, this hope was bootless.

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25X1 Calling on the Johnson administration to investigate the affair,
25X1 "to terminate the CIA's funding
of all domestic organizations" and to establish a joint Congressional
committee to oversee Agency operations.¹²⁷ (S)

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¹²⁵Neil Sheehan, "5 New Groups Tied to CIA Conduits," *New York Times*, February 17, 1967, p 1.
(U)

¹²⁶The statement was released on 20 February 1967.

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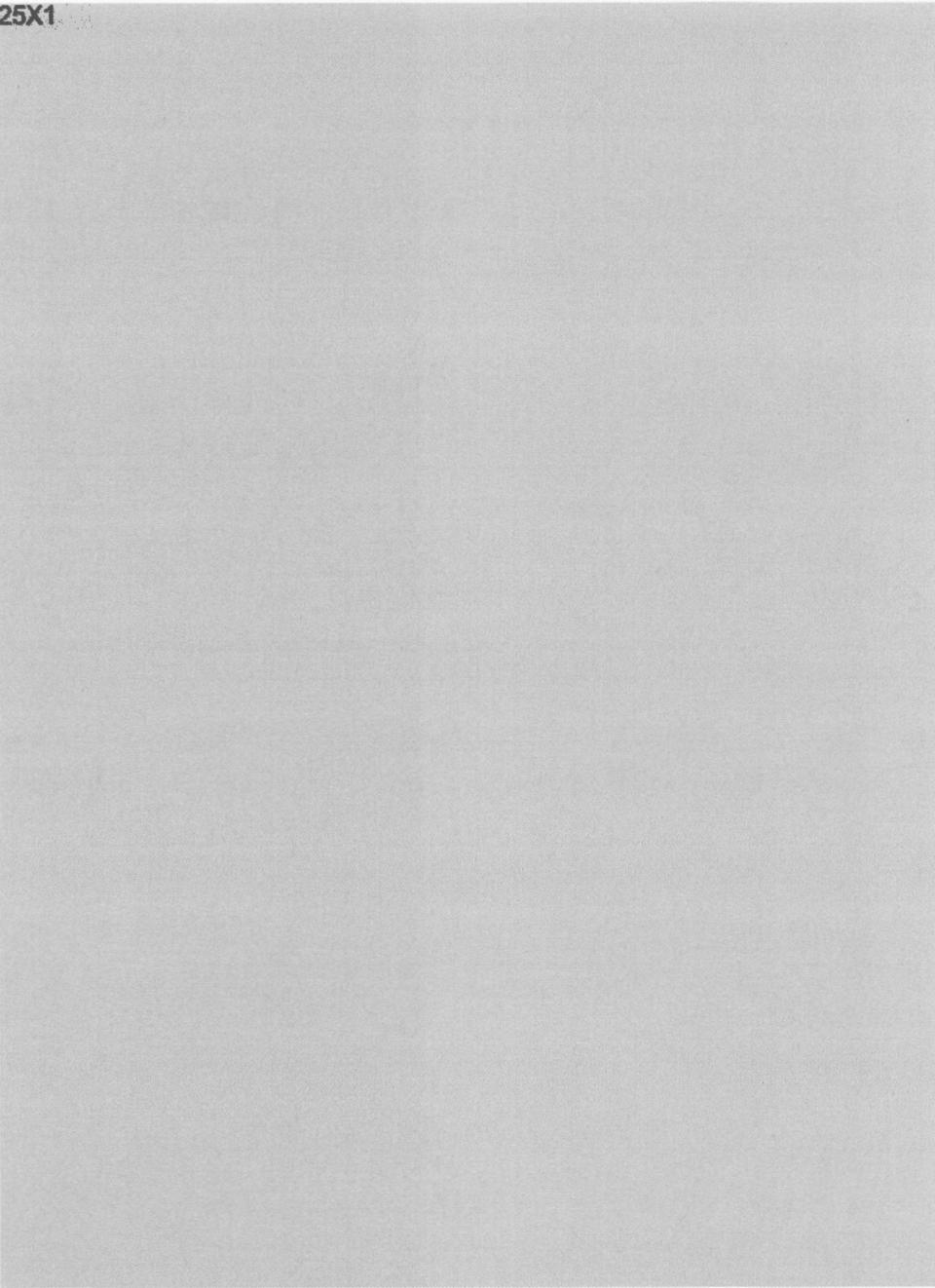
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¹²⁷I.L. Kenen, "AFME and the CIA," *Near East Report* 11 (February 21, 1967), p. 15. (U)

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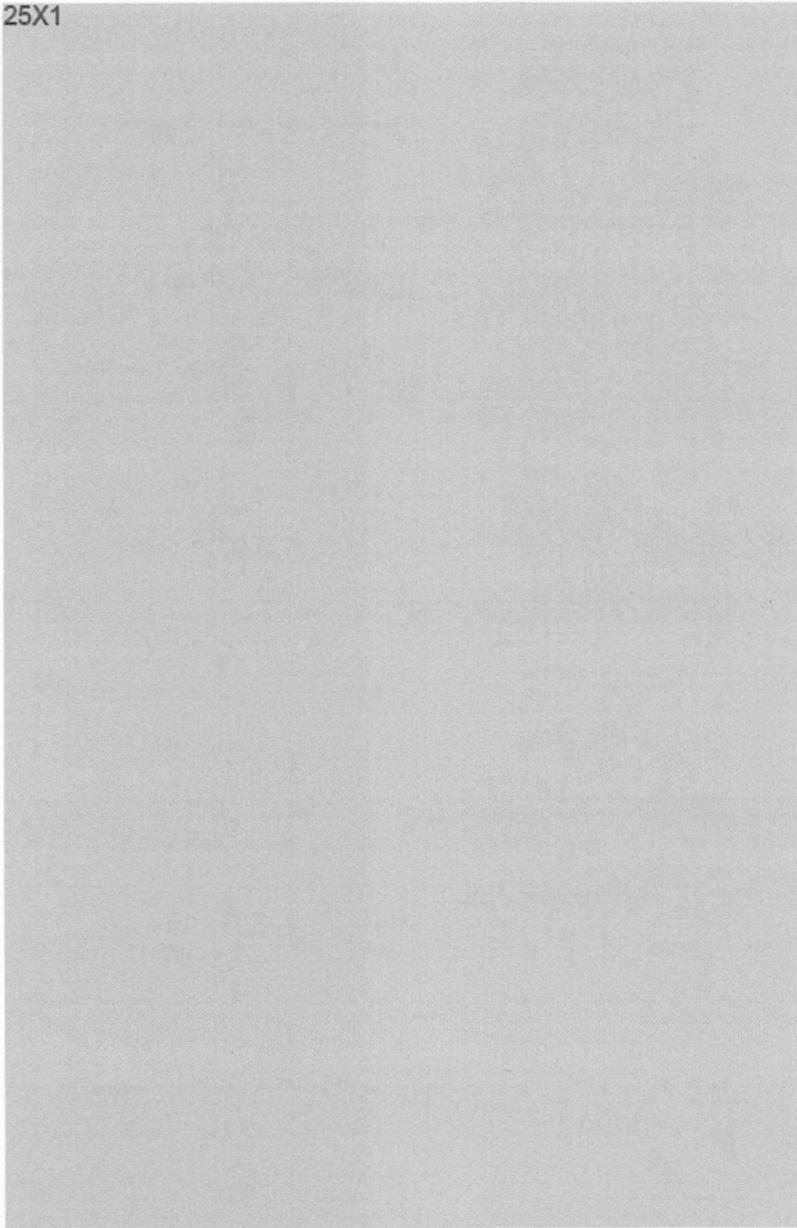
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Conclusion (U)

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the Johnson administration abandoned AFME in 1967 not because it had worked against Israel, but because *Ramparts* implicated it, with the National Student Association, in manipulating student groups on American campuses. *sf*

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Chapter Five

The Matchmaker

The Congress for Cultural Freedom (U)

The Congress for Cultural Freedom (CCF) was one of the CIA's more daring and effective Cold War covert operations. It published literary journals such as *Encounter*, hosted dozens of conferences that brought together eminent Western thinkers, and did what it could to help intellectuals behind the Iron Curtain. Somehow this elitist organization of scholars and artists—egotistical, freethinking, and sometimes even anti-American in their politics—managed to reach out from its Paris headquarters to demonstrate that Communism, despite its blandishments, was a deadly foe of art and thought. (U)

Getting such people to cooperate at all was a feat, but the Congress's Administrative Secretary, Michael Josselson, miraculously kept many of them working together for 17 years. Without Josselson, the Berlin Congress might not have come together at all in June 1950, and after his resignation from the Paris secretariat in 1967, the Congress slid slowly but inexorably toward dissolution. Perhaps no CIA operation of such size and delicacy depended so much on the talents of a single agent. (S)

The Congress grew from a mere idea into a relatively cohesive and prestigious body in a remarkably brief time. Soon after its founding in Paris, CCF acquired offices in Berlin and Rome, and added "national committees" in Britain, Sweden, Norway, Japan, India, and the United States. Within three years the Congress' organizers were sponsoring expositions, literary forums, speaking tours, and an impressive array of publications around the world. Given the ideological polarization of the 1950s, and the fractiousness of intellectuals and artists in any age, this accomplishment was little short of amazing. (U)

Unseen by the public, the Central Intelligence Agency meanwhile consolidated its control over the Congress. The QKOPERA project found a permanent home in the International Organizations Division, where Cord Meyer would act as the operation's institutional guardian angel until its liquidation in 1967. As the Congress grew, it found powerful patrons on both sides of the political aisle in official Washington and

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among the foundations based in New York. "There was a *cachet* associated with the Congress that far exceeded any project, at least with the possible exception of the Radios [Radio Free Europe and Radio Liberty],"^{25X1} As CCF's original mission—to blunt the Soviet peace offensive—became outdated in the mid-1950s, its principals and covert sponsors smoothly shifted its focus to the Third World. (8)

Despite this record of success, CCF was always a politically dangerous operation for the CIA. Its mission was a subtle one that even critics within the Agency sometimes misunderstood; CIA officials who supported the project shuddered when they imagined what might happen should their work become a *cause célèbre* in Congress or the news media. The Congress's American branch gave the Agency ample grounds for such concern. The American Committee for Cultural Freedom (ACCF) soon foundered in political controversies. The ACCF's brief but turbulent history convinced Agency officials of the need to steer the Congress secretariat away from direct involvement in American political debates. Nevertheless, Michael Josselson insisted that CCF continue a pattern of indirect political involvement that provoked harsh criticism in 1967. (G)

Rapid Growth (U)

In the eyes of its overt and covert managers, the Congress for Cultural Freedom had several complementary goals. The first was to break the "peculiar fascination" that Marxism held for writers, artists, and scientists by demonstrating that Marx's ideas—when actually applied under Communism—destroyed freedom of thought and art. The second was to demonstrate "the interdependence of cultural achievement and political freedom"—to show that liberal democracy both protected and promoted the free exchange of ideas that is essential to cultural progress. Both objectives countered Moscow's massive cultural propaganda effort, which IO Division in 1952 guessed (without substantiation) was costing

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the Soviets perhaps \$200,000,000 a year.² Later, CCF case officers in Washington boiled these two missions down to a simple mission statement:

The principal objective of project QKOPERA remains to rally left-wing intellectuals to the active defense and extension of the principles of a free society and to expose totalitarian abuses of the right of free expression.³ *(S)*

DDP Frank Wisner quietly added a third, covert goal—that of demonstrating America's commitment to cultural freedom and American artistic and intellectual contributions to the common heritage of the West. Wisner found this rationale for the QKOPERA project implied in a 1953 statement by the Senate Foreign Relations Committee, which had studied overseas information programs and concluded that

America must avoid appearing to be too much present physically in terms of power, overseas, and at the same time seeming to be distant and remote on the plane of common cultural and spiritual values.

Wisner liked this thought and suggested to DCI-designate Allen Dulles that it matched the intentions behind the Agency's support for the Congress for Cultural Freedom:

You will recall that [QK]OPERA was designed to accomplish the objective, among others, of providing a tangible demonstration of the vitality and fruitfulness of Western culture—and by the same token to spike the Soviet line that the West is dead culturally and intellectually. Another objective was to bring home to the Europeans the fact that America is not a cultural desert or a land of barbarians interested only in materialism.⁴ *(S)*

In 1951, OPC organized its management of the QKOPERA project to pursue these goals. The Western Europe Division initially handled CCF through LCPIPIIT in Paris 25X1

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OKOPERA 25X1

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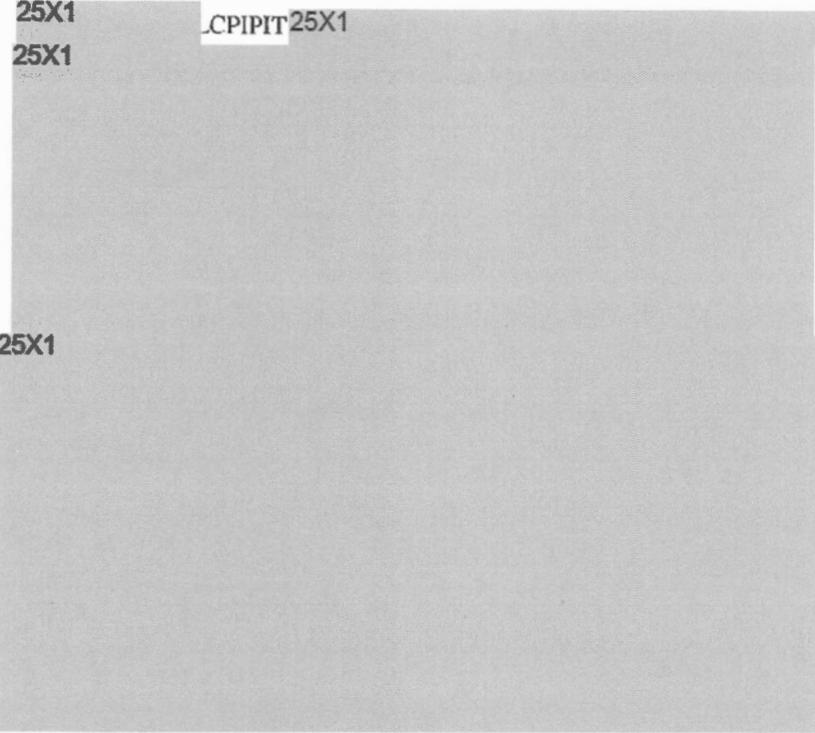
⁴Frank Wisner to Allen Dulles, "Support for OKOPERA Concept," 6 February 1953, 25X1

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Former *Encounter* co-editor Irving

Kristol remembered in 1967:

. . . the Farfield Foundation was no shadowy entity. Julius Fleischman [sic] was very much in evidence, yacht and all, and there was little question that he and his fellow trustees would have . . . no trouble meeting *Encounter*'s deficit if they so desired. Nor were Fleischman's [sic] fellow trustees shadowy figures—they were rich financiers, and I recall meeting them all once at some cocktail party in London, and knowing, by just looking at them, that they were fearfully rich. Finally, the Farfield Foundation was engaged in other cultural activities, including support for the Shakespeare Festival at Stratford, in Connecticut.

So it seemed eminently plausible to me that Farfield was in fact the benign sponsor of *Encounter*. Perhaps I should observe that *Encounter*'s annual deficit was in the vicinity of \$40,000 a year—not so large a sum even for a small foundation!¹² (U)

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did not end speculation about

CCF's real source of funding. Rumors of covert funding by the American "secret services" had cropped up in West Berlin in 1950, and some of those accounts went beyond the perfunctory accusations leveled by the Communist press.¹³ Such hearsay touched a sensitive point for many artists and intellectuals—especially in Europe—who feared appearing to be apologists for America. CCF Secretary General Nicolas Nabokov stressed for James Burnham the importance of convincing French intellectuals that the organization was "not an American secret service agency." English thinkers, Nabokov noted, "think of our Congress as some kind of semiclandestine [sic] American organization controlled by you [Burnham], [Arthur] Koestler, and . . . [Franz] Borkenau."¹⁴ (S)

¹²Irving Kristol to Dwight Macdonald, 11 April 1967, Mugar Memorial Library, Boston University, *Encounter* Papers, Letter and Memo Box (Uncatalogued), Special Collections. (U)

¹³ Note, for instance, the denunciation of Melvin Lasky as an agent of the US Army's Counterintelligence Corps in the "Open Letter" addressed to participants in the Congress for Cultural Freedom by the League of Culture for the Democratic Regeneration of Germany; no date, Hoover Institution, Sidney Hook Papers, box 125, folder 3. (U)

¹⁴Coleman quotes this 1951 letter in *The Liberal Conspiracy*, p. 49. (U)

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The Congress's leaders worked hard to dispel these rumors in Britain and France. A tactful silence on the part of Congress participants aided this effort. Indeed, few if any of CCF's foreign adherents tried to learn whether the rumors of a CIA subvention were true. In the context of the times, such an attitude could hardly be surprising. Moscow covertly but obviously spent vast sums on the Cominform and its extravagant "peace" conferences for writers and artists, and respectable anti-Communist thinkers had publicly called for Washington to take up its side of the fight and provide leadership in the cultural struggle. Given this background, most foreign thinkers associated with the Congress tacitly rationalized covert American support for the organization as an awkward but ultimately essential contribution to freedom.¹¹ (U)

The rumors, in any event, did not deter spontaneous enthusiasm for the Congress abroad. Despite the widespread assumption that the Congress received the bulk of its funds from somewhere in America, intellectuals in Europe, Asia, and South America soon established member branches and sponsored a variety of activities. The Congress used CIA money in the early 1950s to help found the Free Europe University in Exile, to publish anti-Communist writings in many languages, and to participate in a multitude of assemblies in Europe and Asia.¹² Each national branch published its own bulletin, and several branches also produced formidable journals of commentary and criticism, such as *Encounter* in Great Britain and *Preuves* in France. *Encounter*, first published in October 1953 and initially aimed primarily at Asian audiences, rapidly became one of the foremost cultural reviews in the English-speaking world.¹³ **25X1**

25X1 *Encounter* remained the feather in the Congress's cap until CCF divested it in 1964.¹⁴ **(S)**

¹¹Coleman, *The Liberal Conspiracy*, n. 49, (U)

25X1 ¹²By late 1953 American sponsorship of the Congress, and *Encounter*, was taken for granted in England; see Stephen Spender to Michael Josselson, 22 October 1953, Mugar Memorial Library, Boston University, *Encounter* Collection, Correspondence box, folder 71, (Unclassified). **(S)**

¹³For *Encounter*'s early Asian focus, see Stephen Spender to Winston Churchill, 1 October 1953, Mugar Memorial Library, Boston University, *Encounter* Collection, Correspondence box, folder 71. The Congress also briefly subsidized the British magazine *Twentieth Century* before the launching of *Encounter*; Coleman, *The Liberal Conspiracy*, p. 60. (U)

¹⁴Irving Kristol, interview by Michael Warner, tape recording, Washington, DC, 11 August 1993 (hereinafter cited as Kristol interview) (Unclassified). OKOPERA **25X1**

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"Project OKOPERA," **25X1**

CCF gained early acclaim in Europe by sponsoring a grand exhibition of the "Masterworks of the Twentieth Century" in Paris in 1952. A few months earlier, the *New York Times* had complained about "America's foolish disregard of the importance of the 'cultural offensive'" and reported that Moscow spent more on cultural propaganda in France alone than Washington did in the whole world.^{25X1}

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Amidst crowds and complaints, Paris saw its first productions of several important works and heard compositions by Prokofiev and Shostakovich that Stalin had banned in the Soviet Union. As one critic put it, the festival was "an extremely popular fiasco."¹⁵~~48~~

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"OKOPERA" 25X1



DCI Walter B. Smith sent his aide to Paris to check on CCF. (c)

The American Committee for Cultural Freedom (U)

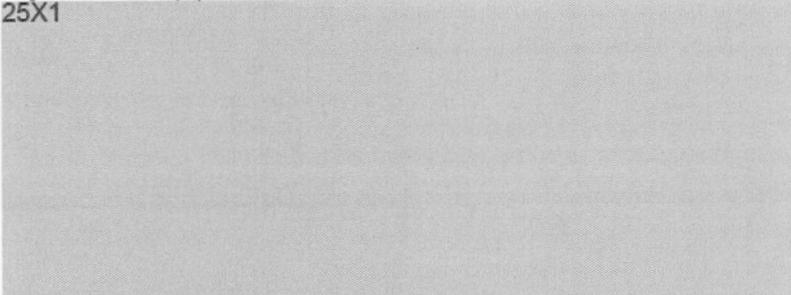
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25X1 After the Berlin conference in 1950, the 25X1 founders of the Congress for Cultural Freedom had briefly argued over the wisdom of allowing their organization to become more directly involved in political debates. Arthur Koestler urged the Congress to become a militant political organization.¹¹ Koestler's idea did not persuade the Congress' leaders

¹¹Colenau, *The Liberal Conspiracy*, pp. 35-36. (U)

in Europe, but it came closer to realization during the brief life of the American Committee for Cultural Freedom (ACCF), the Congress's factious New York branch office. Unlike the Congress in Paris, which was distinctly left of center in its sympathies, the American Committee was more centrist and included a wide range of political opinion among its several hundred members. American intellectuals had constructed an unlikely coalition of public figures united chiefly by their opposition to Stalinism. This political diversity, however, fatally complicated the ACCF Executive Committee's efforts to reach consensus on contentious public issues. (U)

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The American Committee had hardly gained its footing when it lurched into the first of many disputes over domestic political issues. The ACCF made a point of protesting incidents of political and artistic censorship in the United States, but could not always make up its collective mind on what constituted a true threat to intellectual freedom. In March 1952, the ACCF tangled itself in knots over the question of whether and how to respond to the anti-Communist campaign of Senator Joseph McCarthy (R-WI). While no one on the Committee openly condoned McCarthy's methods, the members passionately disagreed over the nature of the threat that the Senator posed to civil liberties. At its root, this argument involved a deeper dispute over the best way in which to defend a free society—a dispute that would later echo in the international discussions of the Congress itself. (U)

The dispute over McCarthy broke into the open at a public meeting of the ACCF held, ironically, at the Waldorf-Astoria in New York—the site of the notorious Communist-inspired peace conference three years

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earlier. Some Committee members, led by Richard Rovere, Dwight Macdonald, Elmer Rice, and Mary McCarthy, denounced Senator McCarthy's tactics as a threat to American freedoms. Max Eastman and others counterattacked, hardly defending the Senator but contending nonetheless that liberal coddling of American Communists in the 1930s and 1940s had made McCarthyism possible and that the current "Red Scare," despite its excesses, did not compare with its infamous 1919 namesake. Eastman apparently had the better of the debate until he lost his-temper and declared (to laughter and jeers) that Senator McCarthy's chief faults were his excessive honesty and overly delicate sense of fair play!²⁰ (U)

This rift alarmed Frank Wisner when he learned of it from his informal contact in ACCF, Harvard historian Arthur Schlesinger, Jr. Wisner viewed the Committee as a cover vehicle for the Congress for Cultural Freedom in Paris and maintained that domestic political partisanship compromised and embarrassed the Congress abroad. He feared that the dispute could split the Committee and might even provoke retaliation by Senator McCarthy. Wisner telephoned Schlesinger and urged him to remind all sides that the dispute jeopardized the future of the entire Congress.²¹ (U)

For his own part, Schlesinger sided with the anti-McCarthy sentiment and feared that the Senator's defenders (the "genuine hysterics" such as James Burnham) might take control of the ACCF. He promised to get Wisner's points across somehow at the ACCF's upcoming April meeting. At that gathering, Sidney Hook and the Committee's leadership were able to restrain the debates and hammer out a compromise statement. The ACCF declared that Communism and demagogic anti-Communism fed on one another. It called on Senator McCarthy to apologize to critic Edmund Wilson for calling one of his books pro-Communist.²²

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The critics of Senator McCarthy had clearly won the debate, but feelings still ran high when Captain Giniger attended the Paris exposition in May 1952. Giniger concluded that the American Committee had been taken over by

²⁰William L. O'Neill, *A Better World: The Great Schism—Stalinism and the American Intellectuals* (New York: Simon and Schuster, 1982), pp. 298–302. (U)

²¹Frank Wisner to Gerald R. Miller, Deputy Assistant Director for Policy Coordination, "Reported Crisis in the American Committee for Cultural Freedom," 7 April 1952, reprinted in Warner, ed., *The CIA under Harry Truman*, p. 455. (U)

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